

The NATIONAL UNDERWRITER

72ND ANNUAL STATEMENT DECEMBER 31st, 1937

HIGHLIGHTS of Millers National's 1937 experience are a 13.7% increase in premiums written, a good loss ratio of 38.25%, and an increase in assets despite the stock market recession during the year.

The wisdom of having its selection of investments predicated upon security rather than high returns is apparent at times such as this. Less than 7% of Millers National assets are invested in stocks, consequently the stock market decline in 1937 had no appreciable detrimental effects.

For sound growth and the ultimate safety of all concerned good underwriting is imperative. The year's loss ratio of 38.25% on the basis of losses incurred to premiums earned is indicative of good underwriting.

Premium writing in 1937 was the largest in Millers National's 72-year history. This 13.7% gain is significant for a firm established for nearly three quarters of a century. Gratifying too is the fact that increases were made in all departments—fire, automobile, and inland marine.

Benefits derived by Millers National agents from *PRACTICAL PROSPECTING and other of the Company's agency services are reflected in the increases all down the line. Not only does Millers National provide unusually sound indemnity as evidenced by its financial statement, but along with it those services which fit the alert agents' ideas and plans.

*PRACTICAL PROSPECTING is a complete sales plan for Millers National agents and is being used by a representation of the most progressive agents in the country. Its success in 1937 has encouraged Millers National to produce a 1938 version, more complete and colorful than before. For further details write Millers National Business Development Dept., Insurance Exchange Bldg., Chicago, Ill. No obligation, of course.

ASSETS

Government Bonds (Canada)	\$ 174,502.40
Government Bonds (United States)	1,734,864.00
School Bonds	358,061.30
State, Municipal and County Bonds	493,393.71
Railway Bonds	560,594.38
Public Utility Bonds	601,496.60
Industrial and Miscellaneous Bonds	153,691.59
Miscellaneous Stocks	439,130.00
TOTAL BONDS AND STOCKS	\$4,515,733.98
Real Estate	52,448.39
Cash in Banks and on Hand	1,329,431.92
Premiums in Course of Collection	423,221.72
Accrued Interest—Investment's	37,066.66
Reinsurance Recoverable on Losses Paid	9,924.41
*TOTAL ADMITTED ASSETS	\$6,367,827.08

LIABILITIES

Unpaid Losses, Net	\$ 226,175.02
Reserve for Unearned Premiums	2,734,774.77
Reserve for Accrued Taxes	65,000.00
Reserve for Accrued Expenses	45,000.00
Reserve for Contingencies	800,000.00
TOTAL LIABILITIES	\$3,870,949.79
Permanent Fund	\$1,000,000.00
Net Surplus Over All Liabilities	1,496,879.29
TOTAL SURPLUS	\$2,496,879.29

*December 31, 1937, Security Values are those established by the National Convention of Insurance Commissioners. Market Values are \$89,897.07 higher.

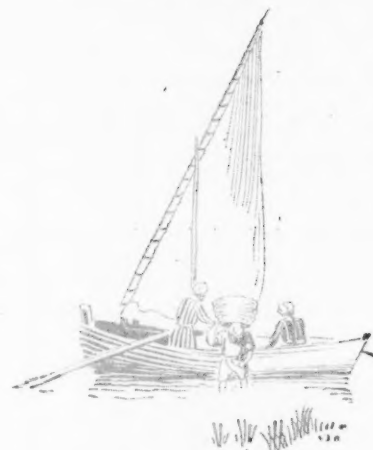
Established 1865
MILLERS NATIONAL
Insurance Company • CHICAGO
Service Headquarters for Alert Agents



Reving Gallery Photo

ON the Lake of Galilee there stood, in ancient days, nine cities and many villages—among them Capernaum, Magdala and Tiberias. Inseparably associated with biblical history, only the last-named remains. Here in Tiberias, 683 feet below sea-level, the Royal-Liverpool Groups are to be found insuring modern buildings—including the Hot Springs Baths on the fringe of the Lake.

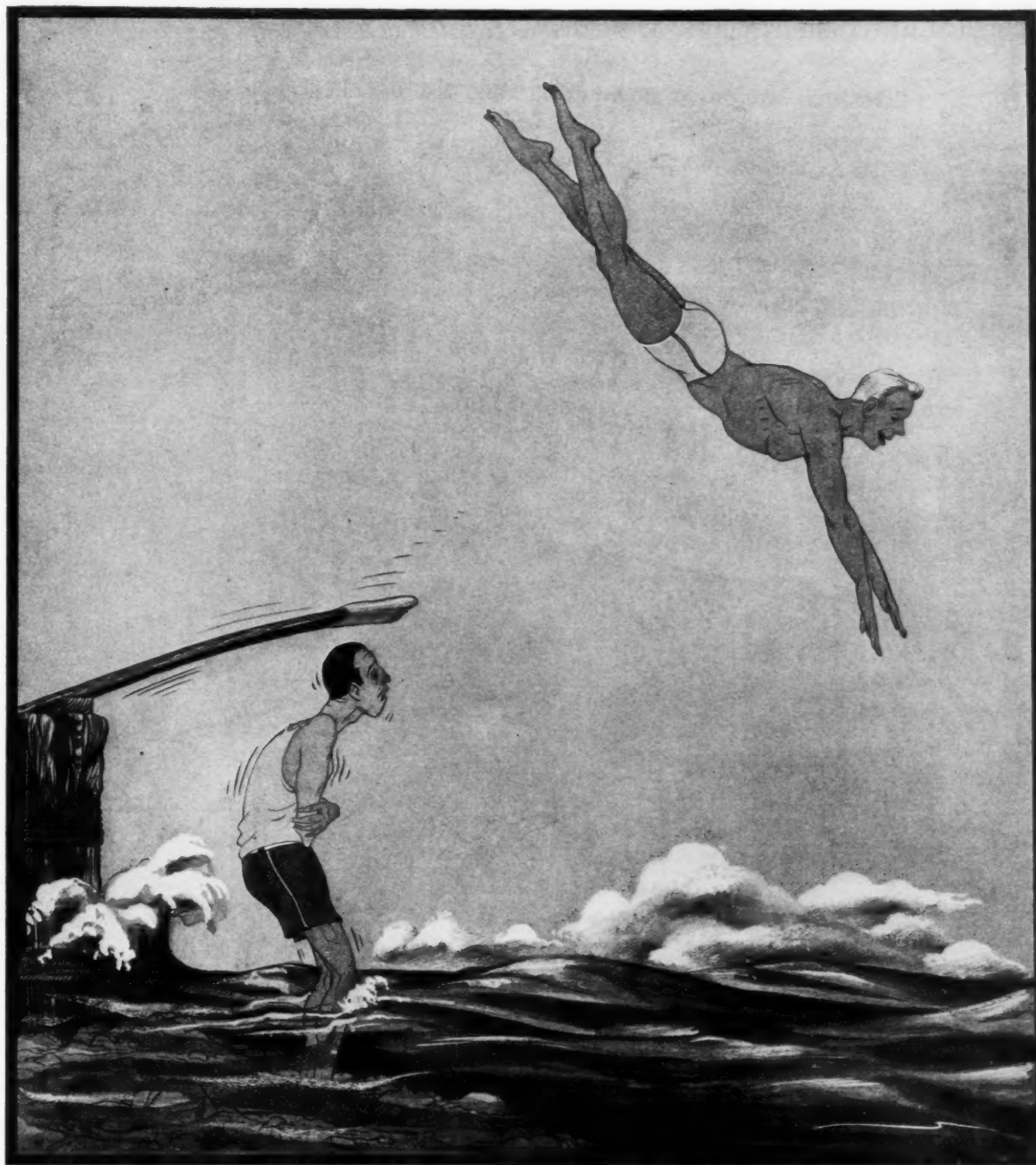
This is No. 6 of the Series, "Round the World with the Royal-Liverpool Groups." No. 5 depicted the Groups in South America, insuring property two miles above sea-level.



ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA



A FEW MINUTES observation at the water's edge will reveal two methods of getting into the water. Some people take the hard way—wading in step by step, suffering over and over again the cold shock. Others plunge right in and begin swimming.

There are two ways of entering the insurance business. One is the slower method

of learning as you go. The other is to jump in from the vantage point of preparatory sales training.

The Agents Training School of The Travelers Insurance Company at Hartford, Connecticut gives a limited number of men a spring-board from which to jump into the swim of insurance selling.

Ours is one of the few companies having Automobile specialists assigned to various territories and available on request for special assistance. These men are fully equipped by experience and knowledge to help you with all classes, especially Fleet and Dealer risks. Let them show you how our *comprehensive* facilities will enable you to write more Automobile business locally.



THE PENNSYLVANIA FIRE INSURANCE COMPANY

150 William Street, New York



The NATIONAL UNDERWRITER

Forty-second Year—No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 3, 1938

\$4.00 Per Year, 20 Cents a Copy

Office Women Are Valuable Factors in Insurance Line

**President Liscomb, National
Agency Association, Points
Out Importance of Work**

President C. F. Liscomb of the National Association of Insurance Agents spoke before a joint meeting of the St. Paul and Minneapolis Women's Insurance Associations last week, stating that he had become convinced that every successful local agency office is manned by one or two or a dozen competent women with whom it would be otherwise powerless to function. It matters not in what sized point an agency is located. A one man agency frequently has a one or not more than two women agency. The highly departmentalized city agency has many women employees. Mr. Liscomb said in the membership of the National Association of Insurance Agents there are but few active women. However, at each convention more are in attendance.

Form the Keystone

The women employees, he said, form the keystone on which the local agency rests. Courtesy or lack of it on the telephone, at the counter or wherever one may contact the public has a tremendous influence on the business of the office. An insurance customer is impressed with the efficient, business-like girl who radiates intelligence, industry and insurance knowledge.

Mr. Liscomb said that one of the chief weaknesses in the agency system is the willingness on the part of so many of its component parts to sell only the simply obvious lines, thereby neglecting the new forms of specialized coverage that some of their clients need and would buy if they were intelligently explained to them. He suggested therefore that the women's organizations familiarize themselves with these new forms as they develop. The members of the women's associations, he said, are composed of those who are earnestly striving to add to their knowledge and make themselves more valuable to the business.

Develop New Business

Mr. Liscomb said in his own agency at Duluth the girls are not actually out on the selling end, but they are not too proud among their own groups of friends to mention the agency with which they are connected and suggest that it be consulted on insurance problems. Some valued customers have come to his agency through this medium.

Business, he said, is more easily transacted with a person known to the salesmen or office help. After meeting each other socially at gatherings it is more easy to transact inter-agency business by telephone and letter. Mr. Liscomb said that women in insurance offices can be proponents of good will building by

West Virginia Agents Seeking More Commission

**Uniformity Association Executive
Committee Has Turned
Down the Appeal**

CHARLESTON, W. VA.—The West Virginia Association of Insurance Agents so far has been unable to convince the executive committee of the Uniformity Association of companies that there should be a readjustment of commissions. The local agents asked for a change in the present scale which is alternative, either 15 and 25 percent or 20 percent flat. The agents asked that it be 15, 20 and 25 percent, but some of the 15 percent business be raised to the higher commission brackets, and insist that this will mean an improvement all round. The agents evidently are seeking an average of about 22½ percent.

Expenses Are Greater

They declare that their expenses have increased materially in recent years. Furthermore, they call attention to the fact that the nonconformity companies are now getting 25 percent of the business in the state, and especially the best part in the northern section, having increased their holdings very much in recent years. Some of the uniformity agents have changed to nonconformity and some uniformity agents keep nonconformity companies under cover.

Executive Committee's Position

The executive committee is taking the position that acquisition costs can not be justifiably increased. The agents claim that the commissions are higher in other jurisdictions. The West Virginia Association of Insurance Agents is now writing to the officials of individual companies over the signature of President T. H. Pollock of Wheeling. President Pollock asks for a reply from the official addressed, giving his position on the subject. S. F. Nininger of New York, manager eastern department Royal and vice-president of the Queen, is chairman of the Uniformity Association. The other members are G. C. Long, Jr., Phoenix of Hartford; H. B. Collamore, National Fire of Hartford; Ashby E. Hill, Travelers Fire; J. M. Waller, Aetna Fire; C. H. Smith and Clem E. Wheeler, western managers Hartford Fire; E. A. Henne, western manager America Fire; Percy Ling, North British, and E. S. Inglis, Corroon & Reynolds. The special committee of the West Virginia Association of Insurance Agents consists of President Pollock, R. P. DeVan of Charleston, R. A. Foose, Wheeling; C. W. Thornburg of Huntington, and R. D. Watts.

acquiring full and complete knowledge of coverages, forms and rates and by being willing on every occasion to dispense that information if desired.

Ella Mae Nebel, St. Paul, presided at the dinner.

Members of the executive committee of the Minnesota Association of Insurance Agents, Clyde B. Helm, secretary of the Insurance Federation of Minne-

Arkansas Agents Make Plans for Mid-year Meeting

**Conference of Leaders Discusses
Needs for Coming National As-
sociation Convention**

Arrangements for the mid-year meeting of the National Association of Insurance Agents, to be held at Hot Springs, Ark., the week of May 1, were discussed at a special meeting of representative Arkansas agents called by President G. S. Purifoy of Camden at Little Rock.

Arlington Is Headquarters

Assistant Secretary J. B. Miller of the National association, who went to Little Rock from Hot Springs after he had completed arrangements with the Arlington Hotel, which will be convention headquarters, was present to outline the requirements for the physical handling of the convention.

J. K. Shepherd, well-known general agent of Little Rock, was present, and pledged the full support of the Arkansas general agents. Allan Kennedy of Fort Smith, former member of the National association's executive committee, made an inspirational talk, urging the Arkansas agents to make the 1938 mid-year meeting the finest in history.

Registrations Increase

For the past three years paid registrations at the mid-year meetings have been as follows: Miami, 1935, 470; Atlanta, 1936, 611; Omaha, 1937, 684. These figures do not include the number of women and other guests.

In addition to Messrs. Purifoy, Kennedy, Shepherd and Miller, the following attended the meeting last week: J. R. Donham, Louis Rosen, Elbert Brack, S. M. Dent, Harry Richter and Mr. and Mrs. G. S. Ratter of Little Rock; G. C. Mitchener, Marianna; L. R. Martin, Pocahtontas; Eric Rogers, Jonesboro; W. F. Lake, Hot Springs, and L. H. Derby, Warren.

sota, and a few other men were invited guests.

Edward C. Huhnke of Duluth, president of the Minnesota Association of Insurance Agents, paid tribute to Mr. Liscomb and commended the women for their enthusiastic interest in the advancement of the insurance business. Others who made brief remarks were P. H. Ware, manager Minneapolis Underwriters Association; Clyde B. Helm, secretary-treasurer of the Insurance Federation of Minnesota; Arthur Hirman, local agent of Rochester, Minn., and Donald Lundsten, president of the Insurance Club of Minneapolis.

Women Tell Objectives

Fern Harrington of Hannaford & O'Brien, president of the St. Paul Association of Insurance Women, and Alice Cardinal, president of the Minneapolis Insurance Women's Association, gave the history and objectives of their respective groups. Mrs. R. B. Nienhauser of R. M. Neely & Co., St. Paul, was introduced as the person whose efforts were largely responsible for the organization of the two associations.

C. R. Street's Death Causes Regret in Insurance Circles

**Was a Most Important Fac-
tor in the Business in the
West**

Charles R. Street, vice-president and western manager of the Great American Hospital in Chicago, where he had undergone a very serious abdominal operation a week prior to that time. Mr. Street evidently did not realize himself the malignant and far-reaching character of his malady. He expected to undergo minor repairs and hoped to return to his office by the middle of this month. He was on the operating table for two hours and a half, the surgeons finding his system badly involved due to long recurrence of a destructive disease. He had been reduced in weight until he tipped the scales at 107. In his heyday time he weighed 180.

Energy Was Being Sapped

During the last two months it was very apparent that Mr. Street was growing weaker and his appearance became ghastly. His last public appearance, when he attempted to make a talk, was at the 25th anniversary of Local Agent George W. Carter of Detroit. His attempt at talking at that time was regarded as pathetic. Mr. Street had an acute heart attack last Saturday and the doctors were considerably alarmed. However, he recovered from that and Monday morning he seemed to be in better shape and for the first time relished a bit of food and some coffee. During the night, Monday, however, he had a serious relapse after a period of extreme restlessness. At 4 o'clock in the morning the hospital authorities telephoned Mrs. Street and Donald M. Street, the son, who is assistant vice-president of the Guaranty Trust Company of New York, who came on to be with his father during the operation and remained until he could see the outcome. Mrs. Street was accompanied to the hospital by two personal friends. Later Assistant Manager G. D. Gregory and Mr. Street's personal secretary, Miss Oda Moller, who had long taken his dictation, arrived. The doctors informed the members of the family and friends that Mr. Street could not live until noon.

Let His Condition Become Chronic

Those who had been rather close to Mr. Street in business activities and had observed him very carefully during the last few months felt that when he went to the hospital his days were very much limited. He had allowed his physical condition to drift too long. Some two or three years ago Mr. Street knew that his health was not the best but indefatigable in work and faithful to his business interests, he refused to go to a hospital for observation.

(CONTINUED ON PAGE 40)

Series of Meetings Is to Be Held in Washington State

Local Agents and Field Men to Cooperate in Staging Educational Rallies

Arrangements have been completed by joint committees of the Insurance Agents League of Washington and western Washington division of the Special Agents Association of the Pacific Northwest for holding a series of three meetings in each of 15 cities in western Washington. Five groups of fieldmen, each headed by a chairman, will conduct the study groups, lecturing on: (1) Dauwalter formula. (2) Security Behind the Contract and Mutual Fallacy. (3) Agency service. The chairmen are L. B. Beattie, Franklin Fire; E. W. Lowe, National of Hartford; W. H. Maloy, Great American-Phoenix of Hartford; M. F. Penfield, Royal-Liverpool Groups; E. W. Trenbath, Norwich Union.

Meeting dates and places are: Aberdeen—Feb. 16, March 2, March 16; Bellingham—Feb. 18, March 1, March 17; Bremerton—Feb. 15, March 1, March 15; Centralia—Feb. 15, March 1, March 15; Ellensburg—Feb. 16, March 2, March 16; Everett—Feb. 15, March 1, March 15; Kirkland—Feb. 15, March 1, March 15; Longview—Feb. 16, March 2, March 16; Mount Vernon—Feb. 16, March 2, March 16; Olympia—Feb. 15, March 1, March 15; Port Angeles—Feb. 17, March 3, March 17; Puyallup—Feb. 16, March 2, March 16; Tacoma—Feb. 17, March 3, March 17; Vancouver—Feb. 17, March 3, March 17; Yakima—Feb. 17, March 3, March 17.

Fireman's Fund, Occidental Show Increases in Year

SAN FRANCISCO.—The Fireman's Fund reported to the 75th annual meeting 1937 net premiums were \$16,461,000, an increase of approximately 1 percent. Gross assets Dec. 31 on the basis of the commissioners' formula were \$39,107,000, policyholders' surplus \$21,243,000. Actual market value of gross assets was \$39,447,000, with policyholders' surplus \$21,583,000.

Fire premiums totaled \$8,164,000 in 1937 against \$8,065,000 in 1936; marine, \$4,441,000 against \$3,744,000; automobile, \$3,856,000 against \$4,517,000. Underwriting profit, \$715,000 against \$396,000 in 1936.

President Page of the Occidental reported at the annual meeting net premiums in 1937 were 5 percent ahead of 1936, with \$897,000 total. Underwriting profit was \$86,000; gross assets at actual market value, \$4,285,000; policyholders' surplus, \$3,223,000.

B. D. Meet at Chillicothe, Mo.

The first Business Development meeting of 1938 in Missouri is set for Feb. 17 at Chillicothe. Following a morning session the Missouri Fire Underwriters Association will be host to attending agents, and in the afternoon agents and field men will discuss farm business.

Fred Gunby of Chillicothe is chairman for agents and O. D. Cox, state agent of the American, is chairman for the fieldmen.

Kalamazoo Agency Celebration

The companies associated in the Garrett Agency at Kalamazoo, Mich., are arranging to celebrate the 50th anniversary of its establishment in 1888 on the evening of Feb. 22. Charles E. Garrett is head of the office. The agency is one of the oldest in the state. Company executives and managers will be present as well as field men and a number of friends in the office.

Fire Premiums Increase at San Francisco in 1937

SAN FRANCISCO.—Fire premiums collected in San Francisco will show increase of approximately \$100,000 for the last six months of 1937 compared with 1936 and an approximate gain of \$181,000 for the year, according to report of the Underwriters Fire Patrol. The Firemen's of Newark leads for the year with \$163,866; Fireman's Fund, second, \$150,406; Home, third, \$149,788. Leaders with 1937 and 1936 premiums are:

	1937	1936
Firemen's	\$163,866	\$154,917
Fireman's Fund	150,406	146,743
Home	149,788	139,370
Pearl	138,028	146,046
Continental	134,884	111,536
United States	115,607	84,909
Aetna	107,642	106,821
Hartford	105,932	101,041
North America	102,572	83,625
L. & L. & G.	96,479	89,713
Royal	76,129	77,462
Merchants Assurance	73,082	61,865
Atlas	61,343	48,155
Millers National	54,070	49,208
Security	53,939	45,120
Fire Association	53,841	55,237
Travelers	51,564	53,560
North British	48,319	54,638
California	47,891	51,672
Agricultural	41,407	35,547

The Firemen's of Newark leads for the last six months of 1937 with premiums \$82,481, as it did during the first six months. Fireman's Fund is replaced in second place by the Home with \$73,252. Leaders for the last six months are:

	Last 6 Months 1937	Last 6 Months 1936
Firemen's	\$82,481	\$74,915
Home	73,252	73,720
Fireman's Fund	71,513	72,564
Continental	70,843	56,550
Pearl	68,714	71,972
Hartford	57,732	51,113
United States	53,502	38,391
North America	53,430	40,242
Aetna	53,230	52,654
L. & L. & G.	44,534	48,159
Royal	32,921	39,894
Atlas	29,344	25,580
Security	28,695	19,405
Merchants Assurance	27,192	28,766
Millers National	27,161	24,535

New Hampshire Men Advanced

M. J. Greenough, who has been secretary of the New Hampshire Fire, is elected a vice-president. G. A. Dewey, H. C. McAlister and L. S. Harvey, assistant secretaries, are made secretaries.

Harry Pratt of Sioux City, Iowa, past president of the Iowa Association of Insurance Agents, sailed Jan. 26 from New Orleans for a two weeks' trip on the Gulf of Mexico and the Caribbean sea.

Windstorm Losses Heavy Throughout Indiana

All Adjustment Offices Busy—January Fire Loss Record Also Bad

All loss adjustment offices in Indiana are busy with a multitude of windstorm loss claims due to high winds which swept the state last week. An Indianapolis office had over 500 windstorm losses reported since Jan. 24. An agency outside Indianapolis reported over 50 losses to its companies. The central part of the state suffered most severely.

January fire loss record was worse than for several years in January. Among the most costly fires for insurance companies were Evansville-Nash Motor Sales Company, Evansville; Cosler Book Store, Bloomington; Barney Restaurant, Marion, and Stokely Canning Company plant, Tipton. The Evansville fire spread over half a block, the loss being reported above \$200,000.

Jennings Is Superintendent

The appointment of H. T. Jennings as superintendent of the metropolitan and suburban inland marine department of the Royal-L. & L. & G. groups is announced. It moved Jan. 31 from the second floor at 150 William street, New York, to quarters on the grade floor. From 1919 to 1926 he was connected with the ocean marine department of the Automobile of Hartford, following which he joined the New York office of Osborn & Lange, marine insurance brokers, subsequently being attached to their Chicago office for a number of years. During his experience with the Royal-Liverpool groups, which dates from February, 1931, he was attached to the home office and also, for a year, to the Chicago service office. From 1934 to 1936 he traveled the southern area and in February, 1937, was placed in charge of the production of metropolitan and suburban business in the New York office.

Illinois Blue Goose Party

The entertainment committee of the Illinois Blue Goose has completed arrangements for the annual dinner dance to be held in the Lake Shore Athletic Club, Chicago, Feb. 26. This is the big social event of the organization and it attracts a large attendance. Some of the companies engage large tables and have

a number of employees as their guests. There is to be a good orchestra and other entertainment. The cost is \$2.50 a person.

Eagle Star's Exhibit

The United States branch of the Eagle Star shows assets \$6,031,341 compared with \$6,490,084. The decrease, proportionate to that shown by most fire companies, is due to the depreciation in market value of securities that occurred during the last few months of 1937.

The premium reserve amounts to \$1,900,344 compared with \$1,791,499 a year ago. This reflects a slight increase in premium writings and partially accounts for the reduction in policyholders' surplus, which now consists of \$400,000 statutory deposit and net surplus of \$2,855,368, amounting to \$3,255,366 as compared with \$3,860,489 a year ago.

Moore Addresses Brokers

BOSTON — The position of the underwriter as a link between company and producer was discussed at the monthly meeting of the Association of Casualty Underwriters by H. E. Moore, president Massachusetts Association of Insurance Brokers and vice president Service Men's Protective Association.

Phoenix Can Write Casualty

HARTFORD — Stockholders of the Phoenix of Hartford have accepted the amendment to the charter passed at the last session of the Connecticut general assembly, permitting it to write casualty lines. However, President Long announces that it is not the intention immediately to write casualty lines as such.

New Omaha School Plan

OMAHA — Representatives of the Omaha Association of Insurance Agents have presented to the school board a tentative plan to provide adequate protection on all of the school district's buildings practically at cost. Chairman M. F. Mulvaney of the board, an insurance man himself, appointed a committee of three to meet with representatives of the association to discuss the proposition.

The school district is carrying its own fire insurance on 26 newer grade schools and the first \$100,000 fire risk on each of the five high schools. In addition, it is buying \$6,191,500 fire insurance and \$9,306,500 tornado insurance, carrying a premium of about \$28,000. Contents of the buildings are not insured.

Under the proposed plan all schools and contents will have fire and tornado protection, also smudge, explosion and other causes, at a cost of \$50,000 to \$55,000 for five years. The estimated saving under this plan is about \$18,000.

To Inspect Sedalia, Mo.

The Missouri Fire Prevention Association will hold a two-day inspection of the Royal and Ralph Beistle of the National are in charge. Greenfield, Mo., was inspected Jan. 27.

New Bill on Adjusters

BOSTON — Difficulties over public adjusters in Massachusetts, one having been fined \$100 and his license taken away recently, have led to a measure being introduced in the legislature by E. S. Cogswell, first deputy insurance commissioner, which would stiffen regulation of public adjusters by the department and give power to policyholders to cancel contracts entered into with public adjusters under certain conditions.

Smullan Makes Recovery

Alexander Smullan, prominent Chicago class 1 agent, has so far recovered from a severe case of pneumonia as to be able to arrange to go to California within a few days.

THE WEEK IN INSURANCE

Charles R. Street of Chicago, vice-president and western manager of the Great American group, died in the Presbyterian Hospital, Chicago, Tuesday. **Page 3**

President C. F. Liscomb of the National Association of Insurance Agents gives address before meeting of St. Paul and Minneapolis Women's Insurance Associations. **Page 3**

Arkansas local agents make plans for the mid-year meeting of the National Association of Insurance Agents. **Page 3**

West Virginia Association of Insurance Agents insists that Uniformity Association agents be paid more commissions. **Page 3**

C. M. Cartwright of The National Underwriter gives personal observations on the late C. R. Street, vice-president and western manager of the Great American. **Page 5**

J. K. Hooker, vice-president Automobile, has been elected president of the Factory Insurance Association of Hartford. **Page 13**

Safe driver reward plan put into effect on Feb. 1. **Page 17**

Executive committee of Association of Casualty & Surety Agents meets at Kansas City and opposes safe driver reward plan. **Page 17**

Automobile manual changes affect truck and non-ownership; new \$1,000 limit policy authorized. **Page 18**

Traffic accident deaths reach all-time high with 39,700 in 1937, National Safety Council reports in annual survey. **Page 20**

New York Compensation Rating Board holds annual meeting. **Page 18**

Malignant glass breakage, except for recent outbreak, much better in New York City. **Page 20**

Julien H. Harvey, executive vice-president greater New York safety council, becomes managing director of the National Conservation Bureau allied with the Association of Casualty & Surety Executives. **Page 18**

Rollin M. Clark, former first deputy of the New York insurance department, who has been assistant comptroller at the head office of the Continental Casualty, has been elected comptroller and a director. **Page 31**

Hartford Accident & Indemnity announces safe driving award to salaried members of its own staff in the field. **Page 20**

Prospective earnings insurance explained to Baltimore Binder Club by L. E. Kietzman, secretary American of Newark. **Page 33**

Illinois Rate Cuts Not As Severe As Was Feared

To Use Greatly Simplified Rating Procedure for Certain Type of Small Mercantiles

Although the details have not yet been officially announced, word has gotten around in Chicago and Illinois that the fire insurance rate reductions in the state, which were agreed upon by company representatives in conference with Insurance Director Palmer are not as severe as had been feared.

Mr. Palmer's announcement stated that the reductions would bring about a saving of about \$1,500,000 per year to Illinois policyholders. That, of course, doesn't tell much of a story to insurance people.

The Chicago Board and Illinois Inspection Bureau are busily engaged in completing the new tariffs, which were agreed upon in principle.

Frame Protected Reduction

It is understood that the deepest cuts will be on frame protected dwellings in Chicago and northern Illinois.

The Chicago Board in a bulletin to members states that the building and contents rates of minimum tariff risks located in classes of municipal fire protection grading one to eight inclusive, with approved roofs, have been reduced.

Much interest is taken in the fact that a greatly simplified system of rating a certain type of small mercantiles will be introduced. Apparently the Dean schedule is being abandoned so far as this type of construction is concerned. The rates will be made from the desk, which will simplify and speed the process. The method to be employed is said to be comparable to that which is used in New York.

Risks of brick construction, one, two or three stories high, occupied on the grade floor as stores, and above the grade floor as dwellings, apartments, offices or halls, which are now specifically rated, are to be rated under a store and dwelling tariff. The rates appearing in the rate cabinet will be withdrawn, and, in lieu thereof, a card indicating that the risk is eligible for the store and dwelling tariff will be inserted. The rates on practically all buildings eligible to rating under this tariff and on certain classes of occupancies will be reduced.

The changes are to become effective March 1. Existing policies will not be eligible to rebates or pro rata cancellation for rewriting at reduced rates.

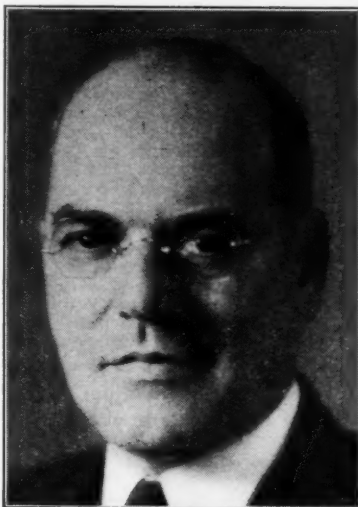
Director Smrha Devises New Company File Record

LINCOLN, NEB.—Insurance Director Smrha has turned inventor. He has just installed a compact metal card file made according to his specifications. In the past the only source of information with respect to companies has been their annual statements, but under the new system all the facts about them, historical and financial, will be at his fingers' ends.

A double fold card, operated on a hinge, contains on the front page the history of the company. On the back page are spaces for notations as to the states in which the company operates, last examination, what states participated in the examination, orders and citations, suits filed, results of suits and remarks.

On the inner second page are spaces for names of officers, kind of company, where domiciled, when organized, with columns covering ten years in which will be carried financial, production, experience and expense figures on Nebraska and entire business.

Chicago Board Officers Re-elected at Meeting



CHESTER M. HAYDEN

Chester M. Hayden, vice-president of the Glens Falls, was re-elected president of the Chicago Board at the annual meeting. All other officers were also re-elected, they being R. M. Cunningham, vice-president Marsh & McLennan, and treasurer, Fred J. Sauter. New directors are C. W. Ohlsen, western manager Sun; W. H. Stewart, Stewart, Keator, Kessberger & Lederer; John A. Naghten.

E. R. Hurd, Chicago general manager of the Home, and Charles Buresh of Fred S. James & Co., were elected to the patrol committee.

Memorial services were conducted for Paul Englehard of Englehard & Co. and M. S. Greenbaum of Haskell, Miller, Grossman & Co.

In his annual report, President Hayden pointed out that the Chicago Board has changed during the past year from a private corporation acting as a rate making body to a licensed rating organization.

(CONTINUED ON PAGE 31)

C. R. Street—Observations from an Onlooker

By C. M. CARTWRIGHT

Somewhat over 40 years ago I left my position as a general reporter on the staff of the old Chicago "Inter-Ocean" to become its insurance editor, succeeding C. I. Hitchcock, who inaugurated its insurance news column and was changing to a similar post on the Chicago "Record Herald." Mr. Hitchcock took me on LaSalle street for my future beat because all the insurance offices of moment were located there. On June 1, 1896, I was thrown into the great stream to sink or swim. He succeeded in introducing me on my initial day to about 15 or 20 insurance men, every one of them almost impossible from a news source standpoint, but he did present me to Charles R. Street, who sat on a platform at one end of the old Phenix of Brooklyn office, on the ninth floor of the Home building, where the Field building now stands, he being chief clerk and primarily looked after Chicago and Cook county. Rudolph Belcher was his assistant.

Was a Paradox in Numerous Ways

So far over four decades I had the opportunity of seeing Mr. Street under varied conditions. He was always an intriguing personality to me. He defied analysis from a psychological standpoint. He was a paradox in many ways because he exhibited opposite traits in a most remarkable way. I presume that many people felt as I did, if I got into serious difficulties or trouble I would rather go to Mr. Street than any one else and lay my case before him. A few years ago a man who was going down to New York to try to seek a position came to my office in Chicago and said, "Do you know whether there is a Street in New York City?" I asked him what he meant by the inquiry. He said, "I mean a man to whom everyone goes when they are out of a job or seek advice or want help." In compact form that probably is a very true

epitome of Mr. Street's personality and career.

He had had many disappointments, some of them very severe. I recall especially when Truman W. Eustis, who was assistant general agent of the Phenix of Brooklyn under Eugene Harbeck, retired to become manager of the Manchester and J. H. Lenehan was called in as assistant general agent because General Agent Eugene Harbeck was in frail health. Mr. Street felt that he should have been advanced to the position. Instead he was made second assistant general agent. On the death of Mr. Harbeck Mr. Lenehan naturally became the general agent and Mr. Street moved up a notch.

Exit Mr. Lenehan After Clash with Evans

Mr. Lenehan had one of those very common sharp clashes with President Henry Evans and out he went. Mr. Street was in many ways a man of Mr. Evans type and later the chief called him to New York as president of the Fidelity-Phenix. He worked along for three years and then he, too, joined the great procession of alumni of the America Fore due to Mr. Evans' animosity. Mr. Street felt the blow, even though he realized that the fraternity at large would not discredit him on account of his dismissal. He had other ambitions that were thwarted but as a whole he became the first citizen in the insurance fraternity of the central west and exerted an influence that no one else did.

There was a remarkable change in the temperament and procedure of Mr. Street after he returned to Chicago to head the Great American group. Before he went to New York, although he held a high opinion of his ability and knew what he could accomplish, he never appeared before a public gathering, seldom attended an insurance meeting, kept very close to his office and was not so much interested in outside activities. When he took his seat in Chicago for some reason or other he became the oracle of the insurance fraternity in central western territory. He was counseled on activities or projects, large and small. His advice was sought on every side. No one ventured into a new land without getting Mr. Street's compass. When he spoke, all listened. Company managers, field men and local agents sought his ear.

Ego Was Developed by Much Attention

This developed in Mr. Street an ego that became most pronounced and in a sense warped his judgment later on. He himself began to feel that he was the commander of the fleet. He had the faculty of measuring the traits and ability of men but he had supreme confidence in his own talents and hence he assumed responsibility. Mr. Street counted himself a superior diplomat. He often stated that he was the only man who could straighten out embarrassing difficulties and solve perplexing problems. He declared that he could treat with the high officials of the business as no one else could. In some respects this was true but not always. Mr. Street's effort at diplomacy in some of the major issues ended with a very sad story. Yet it was true that managers and officials had confidence in him because they recognized that he attempted to do the right thing. In transactions with insurance men Mr. Street did have a certain cleverness but even at that he was often abrupt and seemed at times to take delight in putting a stinger in what he had to say. So far as his

(CONTINUED ON PAGE 12)

C. R. Street's Characteristic Pose



C. R. Street, vice-president and western manager of the Great American group, who died this week, will long be remembered by those who had occasion to see him in his office. The picture herewith produced is a faithful and characteristic view of Mr. Street, ever smoking the ubiquitous cigar and never ceasing to work even when he had callers. Agent Fritz Manson of Wausau, Wis., made this snap of Mr. Street in his office just a few months ago.

NEWS OF THE COMPANIES

America Fore Results Given

Experience of Important Group May Be Index of Results of Fire Companies Generally

Much interest is taken in analyzing the statements of the companies in the America Fore group because of the probability that their experience is something of an index of the over-all results of the fire companies in 1937. The America Fore figures confirm the opinion that was commonly voiced last November and December that the decline in the securities market would produce a decline in assets and surplus of fire insurance companies of about 20 percent.

Assets of the Continental as of Dec. 31, 1937, were \$86,037,746 as compared with \$104,436,415 the previous year. Bonds and stocks are carried in the new statement at \$77,068,188 as compared with \$96,066,070 the previous year.

Premium reserve in the new statement is \$20,522,705 as compared with \$19,276,021 in the 1936 statement. There is a contingency reserve of \$460,854 representing the difference between the values of stocks and bonds as carried in the statement and the market value as of Dec. 31. The capital is \$5,000,000 and net surplus \$51,759,596 as compared with \$71,826,432 the previous year. A voluntary reserve of \$948,227 that was carried in the 1936 statement now disappears.

Premiums written during 1937 were \$20,590,606 as compared with \$18,477,437 the previous year. Losses were \$8,248,322 and expenses \$9,230,487.

Assets of the Fidelity-Phenix now amount to \$67,099,370 as compared with \$83,448,610. Bonds and stocks are carried at \$60,219,668 as compared with \$75,968,719. Premium reserve is \$15,367,997 as compared with \$14,792,093. Capital is \$3,750,000, net surplus is \$40,351,754 as compared with \$57,994,447. There is a contingency reserve of \$670,956.

Premiums written were \$15,388,278, as compared with \$13,939,246 the previous year. Losses were \$6,269,170, expenses \$6,874,016.

The Niagara reports assets \$22,098,533, bonds and stocks amounting to \$20,129,380. Premium reserve is \$5,349,919, capital \$2,000,000 and net surplus \$13,368,786.

Assets of American Eagle are \$13,286,638, bonds and stocks being carried at \$11,829,651. Premium reserve is \$3,078,281, capital \$1,000,000 and net surplus \$8,111,618.

First American reports assets \$4,525,835, bonds and stocks being carried at \$3,685,487. Premium reserve is \$916,776, capital \$1,000,000 and net surplus \$2,328,002.

The Maryland has assets \$3,060,647, premium reserve \$372,968, capital \$1,000,000 and net surplus \$1,495,545.

Phoenix of Hartford's Year

In Spite of Severe Competitive Conditions, Its Companies Showed an Increase in Premium Income

The Phoenix of Hartford group had premiums last year \$15,176,112, increase \$883,674. The group had an underwriting profit of \$1,289,018, a gain of \$189,897. The Phoenix itself shows assets \$57,936,856, decrease \$4,469,338. The surplus is \$38,807,872, increase \$625,555. The securities adjustment reserve was reduced from \$7,500,000 to \$2,000,000. Its own net premiums were \$8,802,145, increase \$500,000. The premium reserve increased \$327,076. The underwriting profit was \$743,784, gain \$130,879.

The Connecticut Fire's assets were \$21,623,234; surplus \$13,190,811; Equitable F. & M. assets, \$6,711,704; surplus, \$4,434,071; Minneapolis F. & M. assets, \$2,626,359; surplus, \$1,040,689; Central States Fire assets, \$2,555,010; surplus, \$928,271; Atlantic Fire assets, \$500,781; surplus, \$140,838; Great Eastern Fire assets, \$653,996; surplus, \$326,216; Reliance of Montreal assets, \$810,256; surplus, \$531,391.

President G. C. Long said that in spite of competitive conditions the year was a profitable one. There was a radical decline in average rate of premium. The full effect of rate reductions will not be apparent in the portfolio, he said, for a year or more.

Aetna Fire Premiums Are Sharply Higher for '37

The program for the development of automobile writings that was inaugurated by the Aetna Fire beginning Jan. 1, 1937, is reflected in the new annual statement. Net premiums of the group amounted to a total of \$32,638,868, a gain of 28.9 percent, which is largely accounted for by the increase in automobile premiums. The Aetna Fire itself shows a premium increase of \$6,082,018 or 35.5 percent; World F. & M. increase 26.3 percent, and Piedmont 50.6 percent. The Century Indemnity had a premium gain of 10.6 percent.

Assets of the Aetna Fire group amount to \$69,451,001, gain \$1,663,184. The wholly owned subsidiaries are carried at \$6,840,000. The book value of this investment is estimated to be \$9,148,609, exclusive of equity and earned premium reserve.

Reduction in net surplus from \$19,356,455 to \$15,600,499 is attributed largely to the reserve requirements on account of the expansion in business. The conflagration reserve of \$4,100,000 continues unchanged.

Depreciation of market value of portfolio was \$3,404,766.

Aetna Fire returned an underwriting loss of \$563,175, after setting up reserves including \$3,433,730 added to premium reserve.

For the first time in its history, Century Indemnity returned an underwriting

profit, the item being \$104,337. In 1936 there was an underwriting loss of \$80,581.

Pacific National Fire Returns Noteworthy Gains

Pacific National Fire maintained during 1937 a three-year average annual gain in net premiums of over 50 percent, while the total of \$3,517,497, 59.12 percent increase, represented an all-time record for this company.

Cash amounts to \$603,336 in the new statement. This item, together with holdings of U. S. government bonds, represents 30.3 percent of total assets; other bonds, 30.8 percent; common and preferred stocks, 26.4 percent, all at Dec. 31 market value.

Total reserves, including those for unearned premium, increased from \$2,990,419 to \$3,711,751. Net surplus amounts to \$1,228,967.

A number of important expansion moves were made during the past year, including the opening of elaborate new offices for the eastern department in Philadelphia, expansion of facilities in Chicago, Los Angeles, Portland and San Francisco, and the addition of a new marine department.

It is understood that a change during the year in the method of handling reinsurance accounted in some degree for the increase in net premiums.

Republic of Dallas Gains

The Republic of Dallas, Tex., in its 35th annual statement show assets \$7,795,620, of which \$1,718,580 are federal bonds, \$2,592,480 stocks, \$576,887 cash, \$632,924 federal land bank bonds, \$653,747 mortgages. Its premium reserve is \$2,349,153, contingency reserve \$184,560, capital \$2,000,000, net surplus \$2,986,749. At the stockholders meeting President A. F. Pillett reported that the company had experienced a satisfactory year with a substantial premium increase. The premium reserve gained \$227,973. The surplus increased \$243,859. The regular quarterly dividend of 3 percent or 30 cents a share was ordered.

Automobile and Standard

The Automobile showed an underwriting profit of \$780,595, and net interest and rents were \$748,921. The unearned premium reserve increased from \$8,192,322 to \$9,028,283. The surplus increased from \$6,831,283 to \$7,185,126. The assets are now \$24,548,982 as against \$24,894,913 at the end of 1936.

The Standard Fire of Hartford showed an underwriting profit of \$164,928, and net interest and rents were \$151,775. The unearned premium reserve increased from \$1,895,393 to \$2,076,436. Surplus increased from \$1,769,438 to \$1,958,137. Assets are now \$5,347,556 as against \$5,432,334 at the end of 1936.

The Automobile's premiums were \$12,506,550, increase \$1,220,813, and the Standard's were \$2,044,277, increase \$219,134.

Many Fireman's Fund Slogans

Approximately 1,100 employees of the Fireman's Fund group responded to the call for a 75th anniversary slogan. All

Dallas Shows How Prevention Work Can Reduce Losses

DALLAS—The insured fire losses of Dallas for 1937 were only \$488,326, the lowest since Dallas has been keeping complete records, and more than \$80,000 less than the 1936 record. "The decreases in fire losses since 1925 are almost unbelievable," said President Paul Kirkpatrick of the Dallas Insurance Agents Association, "and demonstrates what can be done with improved fire fighting and fire prevention departments backed up with strong public opinion and more careful underwriting of fire insurance. Our fire losses in 1927 were \$1,122,243 and yet with a rapidly growing city our losses have been around \$500,000 for the third consecutive year. The law enforcement bodies eliminated to a large extent our arson cases and an educational program, headed by a strong fire prevention council, helped the fire department decrease careless fires; if a city can reduce its malicious fires and its careless fires, it will not have a large loss."

Dallas has received national attention for the steady reduction in its fire losses since the abnormally high of 1925 when it suffered a \$1,965,785 loss and became known as a "hot city." The Dallas Fire Prevention Council was created by city ordinance in April, 1926, and since that time has carried on a ceaseless fight with the help of the press, the radio, the schools, the luncheon clubs and the local insurance exchange. The record of insured losses:

1925.....	\$1,965,785	1932.....	\$985,383
1926.....	1,591,757	1933.....	806,019
1927.....	1,122,243	1934.....	728,764
1928.....	1,160,533	1935.....	523,507
1929.....	1,321,100	1936.....	571,424
1930.....	1,474,258	1937.....	488,326
1931.....	1,283,990		

of the 67 offices of the group were represented. The total number of slogans submitted was 1,761 from 77 percent of the 1,505 employees. First prize winner will receive \$50 and those submitting the five next best slogans will be awarded \$5 each.

Wrenn Made Assistant Secretary

R. L. Wrenn, who has been connected with the National Fire & Marine for 10 years, has been appointed assistant secretary. He has been in the insurance business since 1921. He is now in charge of underwriting for the southern states.

Warch and Brady Changes

George F. Warch, who has been vice-president and secretary of the Merchants Fire of New York, has now been elected vice-president. W. F. Brady, formerly secretary, becomes vice-president and secretary.

Springfield in Stevens Scheme

Allan C. Stevens of White Plains, N. Y., who has devised a plan for financing of premiums on the part of local banks, announces that the Springfield group has declared its intention to cooperate. The Springfield intends to file a letter of consent with the People's National Bank & Trust Co. of White Plains. This bank will certify to local banks throughout the country that the Springfield group will cooperate in the financing of premiums on Springfield policies.

National Adjusters' Meeting

The annual meeting of the National Association of Independent Insurance Adjusters will be held at Indianapolis, May 5-7. A typographical error in the last issue stated it was March. This is an organization that is rapidly taking shape and its membership is being materially increased.

FIGURES FROM DECEMBER 31, 1937 STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prems.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Amer. Auto. Fire.....	2,583,463	+220,820	1,222,942	+304,415	300,000	573,419	-193,698	2,512,448	909,770	36.2
Amer. Fire, Tex.....	436,660	+21,037	25,905	+25,905	200,000	203,220	-12,402	43,301	4,306	9.0
Atlantic Fire, N. C.....	538,005	-37,224			250,000	189,238	-48,399			
Automobile, Conn.....	24,548,982	-345,931	9,028,812	+836,490	5,000,000	7,185,126	+353,843	12,506,550	4,540,286	36.3
Illinois Fire.....	492,749	-67,396	153,109	+880	200,000	124,636	-50,837	120,766	39,778	32.9
Inter-Ocean Reins.....	5,355,195	-294,091	2,982,868	+369,331	500,000	1,459,078	-309,016	2,854,045	1,055,498	36.9
Lafayette Fire.....	1,033,539	+16,270	133,278	+5,130	300,000	563,905	+9,036	113,247	24,657	21.7
Louisville Fire & M.....	22,565	-24,225	14,390	-5,520	50,000	4,970	-20,153	31,458	12,664	40.0
National, Colo.....	247,201	+148	4,442	+1,304	90,000	42,268	-868	138,201	59,963	43.2
Prudential, Okla.....	173,121	+2,914			100,000	64,487	+10,297	141,649	61,546	43.4
Standard, Conn.....	5,347,556	-84,778	2,076,436	+181,044	1,000,000	1,958,137	+188,699	2,044,277	678,422	33.19

¹Reinsured.

²Bonds not in default are carried at amortized values; bonds in de fault and stocks are carried at market values except stocks of affiliated companies, which are carried at their own book value.

³Bonds not in default are carried at amortized values; bonds in de fault and stocks are carried at market values.

REWARD

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 EVERYBODY KNOWS
 THE BEST REWARD IS FOR A
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NEWS OF FIELD MEN

Apperson Is New President

West Virginia Fire Underwriters Association Holds Annual Meeting in Washington

The annual meeting of the West Virginia Fire Underwriters Association was held in Washington, officers being elected. They are: President, R. B. Apperson, Hartford Fire; vice-president, V. K. Smith, Norwich Union; secretary-treasurer, A. S. Whiteley.

Members of the executive committee elected are: E. W. Chester, Crum & Forster; R. A. Moore, National Liberty; J. C. Blair, National Union; Charles Peksa, Royal-Liverpool groups; John Marsden, Providence Washington. Holdovers on the executive committee are: J. E. Tetlow, Jr., Fireman's Fund; G. K. Taylor, Aetna Fire; and B. J. Weisgerber, North British & Mercantile. G. K. Taylor was elected chairman of the executive committee.

Company executives in attendance included: S. F. Nininger, vice-president, Queen; Percy Ling, secretary, North British & Mercantile; J. S. King, secretary, Continental; F. C. Gustetter, vice-president, Phoenix of Hartford; Gordon Kyle, assistant secretary, Aetna Fire; J. R. Morrissey, assistant manager, Hartford; W. C. Browne, secretary, National Fire; T. D. Olmsted, assistant secretary, Automobile; S. H. Schoch, secretary, North America, and B. C. Vitt, vice-president, Dixie Fire.

H. L. Newton Takes Ohio Post for New Hampshire

The New Hampshire Fire has appointed Harold L. Newton special agent in Ohio. He will be associated with State Agent Elmer F. Carnes, traveling the entire state for both the New Hampshire and Granite State.

Mr. Newton started his insurance career as an engineer and later with the Ohio Inspection Bureau, being associated with that organization for over six years. He then traveled Ohio for the Boston and Old Colony and for the past year or more has been connected with a prominent local agency in Canton, O.

Mr. Newton will make his headquarters with Mr. Carnes at 50 East Broad street, Columbus.

Millers National Field Men Conferring in Chicago

Field men of the Millers National home office were in conference in Chicago this week with company officials and department heads. Attending are State Agents J. T. Harding of Illinois; D. R. Stephens, Indiana; T. E. Allaire, Ohio; G. C. Hoffman, Kansas-Missouri; Mrs. Helen D. Chapman, Wisconsin; D. B. Gamble, Michigan, and W. A. Pryce, Ohio. Cook county field men present are A. F. Campbell, brokerage manager, and R. B. Stitt, special agent.

President H. M. Giles addressed the group. Discussion leaders are A. A. Krueger, secretary; R. S. Danforth, assistant secretary; W. S. Whitford, second vice-president; H. C. Stoll, manager inland marine department; L. B. Mennert, inland marine field superintendent; P. De Groot, automobile department, and Earle E. Vogt, advertising manager. The keynote is how to increase value of service to agents.

Zanesville, O., Inspected

At the inspection of Zanesville under the direction of the Ohio Fire Prevention Association, H. K. Rogers, Western Actuarial Bureau, and W. J. Gilsdorf of the North America were the principal speakers. Mr. Rogers' luncheon talk was broadcast from WALR.

Pattillo & Myers New Firm

Form General Agency Partnership for the Meserole Companies in Texas, Oklahoma and Kansas Territory

Following the dissolution of the general agency of Pattillo & Southgate of Dallas, who have represented the Meserole group of fire companies, and the Washington Assurance for Texas, there has been a consolidation of these companies' business in Texas, Oklahoma and Kansas under the supervision and management of the firm of O. L. Pattillo and Walters Myers, Jr., general agents. Mr. Pattillo has been in Texas for many years as representative of various companies.

Mr. Myers has been state agent in Oklahoma and Kansas for the Meserole companies for the past three years prior to which he was in St. Louis with the Globe & Rutgers covering the middle western field.

The offices of the new firm will be maintained in the First National Bank building at Dallas.

Los Angeles Making Plans for Grand Nest Meet Aug. 23

LOS ANGELES—General Chairman V. W. McKinney has appointed committees for the Blue Goose grand nest meeting in Los Angeles Aug. 23-25. R. E. Alderman and David M. Christian, San Francisco, are vice-chairmen. Other chairmen are: Banquet, E. E. Hensley; decorations, K. H. C. Dunbar; entertainment, C. P. Taylor; favors and badges, Ed C. Dunn; finance and auditor, B. C. Fischer; flowers and floral decorations, Sam Sutherland; golf, Frank J. Hagan; hotels and accommodations, Raymond Needham, 548 South Spring street, Los Angeles; initiation, W. H. Radford; ladies, Mrs. V. W. McKinney; memorial, A. N. Bushnell; meetings, Roy O. Elmore; publicity, M. A. Wells; reception, G. L. A. Lauer; registration and credentials, J. E. Shield, and transportation, L. L. Brown.

The general committee in addition to Mr. McKinney and Mr. Alderman, includes J. C. Buchanan, E. W. Dunn, R. E. Elmore and Raymond Needham. A meeting of all committee chairmen was held this week to outline the work and arrange general plans.

The Biltmore Hotel has been definitely selected as headquarters.

To raise funds for the grand nest meeting, the Los Angeles pond will stage a party on Feb. 21.

G. R. Juenger Indiana State Agent Security, New Haven

George R. Juenger has been appointed Indiana state agent for the Security of New Haven, East & West, and Connecticut Indemnity, succeeding John W. Noble, deceased.

Mr. Juenger had been state agent for the Westchester and when that company was taken over by Crum & Forster he then represented the Crum & Forster companies. He has had long experience in Indiana and is a worthy successor to Mr. Noble.

Hear New Orleans Attorney

Addressing the January meeting of the Louisiana Blue Goose, St. Clair Adams, New Orleans attorney, spoke of the judicial construction of an act of 1928 dealing with breach of policy conditions under certain conditions. He said it is an unjust and unfair law and should be repealed, as under its terms the companies are required not only to prove violation of clauses, representations or war-

ranties but must prove the existence of moral or physical hazard.

Six members from Shreveport were initiated at a meeting in Shreveport when a Shreveport puddle was formed. Clint Prescott was designated by Most Loyal Gander Claude Dupree to make the arrangements. A number of ganders from New Orleans attended.

Marks on Disabled List

A. R. Marks of Chicago, state agent of the Great American group, has been laid up for two or three weeks and went to a hospital for observation. Apparently he has kidney trouble and is now being treated for that.

New Setup for R. K. Johnson

R. K. Johnson, who has joined the Globe & Rutgers as Illinois state agent, is a prominent man in the state. He is president of the Illinois State Fire Prevention Association. For the past two years he has been Illinois state agent for the National Union and prior to that traveled for the American of Newark with headquarters in St. Louis.

With the Globe & Rutgers he takes the place of Harry T. Johnson, who has entered the local agency business in Chicago. His headquarters will be in the Insurance Exchange, Chicago, with Sam T. Johnson, who is the Chicago manager.

Plan 1939 Grand Nest Meet

At the meeting of the Ohio Blue Goose in Cleveland, Feb. 7, B. T. Duffey of the Royal, chairman of the committee, will report on the arrangements that have been made thus far for the grand nest meeting, which the Ohio pond expects will be held in Ohio in 1939. If the meeting does come to Ohio, it doubtless will be held in Cincinnati, as R. W. Hukill of Norwood, now grand supervisor, will then retire as most loyal grand gander. The committee will ask that it be discharged as soon as chairmen are named for the various committees which will work out the details for the grand nest meeting. The Ohio pond has been working for several years on a budget and sufficient funds have been provided for the convention and for elaborate entertainment for those who attend.

Honor Paid Cornelius Smith

Nearly 100 Oklahoma field men and local agents honored C. M. Smith at Oklahoma City with a farewell party. He for 17 years has represented the Springfield F. & M. in Oklahoma and is leaving for Des Moines, Ia., the middle of the month to take charge of that state. A handsome gold wrist watch was presented on behalf of those present by State Agent W. H. Crawford of the National. A special skit was presented by George Kline of the Fire Companies Adjustment Bureau and Ellis Clarkson of the United States Fire.

Great American Changes

Special Agent A. J. Swenson of the Great American in North Dakota is being transferred to take charge of its hail business for Missouri and Iowa, with headquarters in Des Moines. He will be succeeded by M. J. Backes, a North Dakota product, who has been associated with the hail business in that state as special agent and adjuster for a number of years, as well as having been engaged in the local agency business in Langdon.

Northern Men in Conference

NEW YORK—Field men of the Northern of London, now in town in attendance at the annual conference, include: State Agents J. T. Woodroffe, Missouri; C. E. Blakely, Kansas; J. R. Watson, Kentucky; M. G. Elkins, Oklahoma; R. E. Kenzel, Wisconsin, and T. W. Posthill, New York. R. E. Davis, Charlotte, N. C., and Olga Mary, New Orleans, are likewise here. United States Manager R. P. Barbour maintains close contact with the daily ses-

sions, the immediate direction of which is in the hands of Secretaries E. A. Clark and E. D. Patton, the former handling the eastern and southern and Mr. Patton the western territory.

Reppert to United Pacific

R. W. Reppert, former field man at Seattle for the Automobile of Hartford, has joined the United Pacific at the home office. Mr. Reppert joined the Automobile in 1931 at the home office in Hartford and in 1934 was transferred to Seattle to travel the northwest states.

Borst to Pawtucket Mutual

G. E. Borst, who resigned last December as Wisconsin state agent of Fireman's Fund, has been appointed state agent of the Pawtucket Mutual Fire and has established a new service office at 828 North Broadway, Milwaukee.

Arthur Holt to Iowa

The Aetna Fire group announces the transfer of Arthur E. Holt from Michigan to Iowa, where he will serve as associate state agent. Mr. Holt is well known in Iowa, having formerly traveled as special agent for his companies in that state.

Indiana Valentine Party

A big feature of the annual home coming and Valentine party of the Indiana Blue Goose Feb. 12 will be the first public appearance of the Indiana pond glee club, formed several months ago. A number of members of the pond who now live in other states have signified their intention of attending this party. Advance reservations indicate that there will be a good attendance.

Pacific Ponds to Meet

The annual conference of the Pacific ponds of the Blue Goose will be held in San Francisco, Feb. 7 at the time of the meeting of the Fire Underwriters Association of the Pacific.

Tells of Trip Abroad

F. H. Beckmann addressed the San Francisco Blue Goose Monday on "The Promised Land." Don E. Kessler of Jensen-Kessler general agency, introduced the speaker, who told of his experiences and observations in a trip to Egypt, Palestine, Syria, Italy and southern France.

FIELD NOTES

The Nebraska Fire Prevention Association will inspect Nebraska City Feb. 10. H. K. Rogers, Western Actuarial Bureau, will speak.

John G. Miller, field man for Cravens, Dargan & Fox at Seattle, Wash., married Miss Veronica McGaffigan of San Francisco recently. The bride is a sister of G. J. McGaffigan of the inland marine department of the America Fore group at San Francisco.

The Illinois State Fire Prevention Association will inspect Mattoon, Feb. 16. J. Burr Taylor, Western Actuarial Bureau, will speak at a noon meeting.

C. W. Roane Norfolk Head

C. W. Roane has been elected president of the Fire Underwriters Association of Norfolk, Va. J. T. Minter is vice-president and John Cahill, Jr., is secretary.

Only Licensed Company "Ads"

The Minneapolis "Star," afternoon newspaper, has announced that hereafter it will accept insurance advertising only from companies licensed in Minnesota. "We are doing this in an effort to cooperate with the commissioner of insurance and to add confidence to the advertising of licensed insurance companies in the 'Star' columns," a statement of the publishers says.

J. L. Cottingham, who has been in retail credit work in Dallas for 20 years, has joined C. R. Tucker as a partner in the I. Reinhardt & Son agency.



This motto is particularly adaptable

to these old line stock companies

Five of them are now in their second

century and during that period have become firmly convinced

that a strong group can serve its agents and policyholders

best. We believe you appreciate the combined strength of these

companies and realize how much assistance we can give you

CRUM
and **FORSTER**
managers

110 WILLIAM STREET, NEW YORK

Western Dept. FREEPORT, ILL. • Pacific Dept. SAN FRANCISCO, CAL. • Carolinas Dept. DURHAM, N. C. • Allegheny Dept. PITTSBURGH, PA. • Southern Dept. ATLANTA, GA.

UNITED STATES FIRE INSURANCE COMPANY

ORGANIZED 1824

WESTCHESTER FIRE INSURANCE COMPANY

ORGANIZED 1837

THE NORTH RIVER FIRE INSURANCE COMPANY

ORGANIZED 1822

WESTERN ASSURANCE CO., U. S. BRANCH

INCORPORATED 1851

RICHMOND INSURANCE COMPANY

ORGANIZED 1907

BRITISH AMERICA ASSURANCE CO., U. S. BRANCH

INCORPORATED 1833

THE ALLEMANNIA FIRE INSURANCE CO. OF PITTSBURGH

ORGANIZED 1868

SOUTHERN FIRE INSURANCE CO., DURHAM, N. C.

INCORPORATED 1923

With a Reliable Fire Insurance Agency You Can Make More Money



Many a man in the Fire Insurance field today knows that his Reliable Fire Insurance Agency is one of his greatest business assets. Why? Because he makes more money by representing this 72 year old Company, well known for strong financial stability, prompt payment of all just claims, and wholehearted cooperation with its agents. You can cash in, now, on this winter's fire insurance business. Write today for full information about the Reliable Fire Insurance Co. and how a "Reliable" agency can bring you greater profits. Address

WM. F. KRAMER, President E. J. WEISS, Secretary
Current surplus to policyholders of \$1,109,305.69.

Special Agents
For Indiana C. R. Dobbins
Special Agents
For West Virginia Fred C. Campbell
For Ohio Harry J. Favorite
R. E. Metzger
For Michigan Finnell and Finnell



ONE-MINUTE TALKS WITH AGENTS

No. 20

Selling Fright?

MANY a par golfer has cracked under the tension of tournament play. It's a form of stage fright. Many a par salesman has gone out to tackle a tough one—and lost the order needlessly, because of "selling fright."

Selling fright makes you defeat yourself. Have you a lack of confidence? Selling fright! Did you postpone calling on Jones because he's tough? Selling fright! Did a competitor swing the deal on price? Selling fright!

You can't break par in this game until you've overcome selling fright. Know your own line—and be sold on it. Welcome the tough ones. There are answers to their sales resistance—if you analyze them. Above all, have confidence in yourself and your company. Then you can crack par regularly.

W. F. Kramer
President



GENERAL INSURANCE COMPANY of AMERICA
GENERAL CASUALTY COMPANY of AMERICA
FIRST NATIONAL INS. COMPANY of AMERICA

Eastern U. S. Dept.
116 John St.
New York, N. Y.

C. W. Davis, Supt. of Agents
200 N. Broadway, St. Louis, Mo.

Mountain States Dept.
Insurance Exchange Bldg., Denver, Colorado

VIEWED FROM NEW YORK

By GEORGE A. WATSON

STANDARD POLICY REVISION

The subject chosen for the thesis to be submitted in the T. Y. Brown prize competition this year is "The Proposed Revision of the Standard Policy of Fire Insurance." Competition for the award is only open to members of the Insurance Society of New York.

COVERS EPISCOPAL PROPERTY

The Church Properties Fire of New York City, which is organized to insure property of the Episcopal Church institutions, announces that nearly 3,000 churches and other ecclesiastical bodies are insured. J. P. Morgan is chairman of the board.

I. U. B. ANNUAL MEET

Esmond Ewing, chairman of the governing committee of the Interstate Underwriters Board, and Manager John R. Dumont presented a report at the annual meeting of the organization. The work accomplished the past year was reviewed and the plans for development during the new year outlined.

Mr. Ewing, who is vice-president Travelers Fire, was reelected chairman, as was H. C. Conick, assistant U. S. manager Royal-Liverpool, as vice-chairman, and B. M. Culver, president America Fore, as treasurer.

SEEK NEW BROKER REGULATIONS

New regulations of brokers licenses are contained in the Piper bill before the New York assembly. It provides that a newly licensed broker shall advertise in an insurance paper announcing his licensing to the companies. It applies only to new brokers after July. If his license is suspended or revoked, the department must advertise the fact. If the broker's license is reinstated he must advertise the fact.

Provision is made for the New York department to issue a list of names and addresses of all brokers who fail to renew their licenses.

The insurance department is prohibited in the new bill from issuing broker's license to any corporation if any officer or director is under suspension as a broker.

INSURANCE SHARES SAGGED

"Best's Insurance News" comments on the movement of fire insurance stocks, stating that the market value last year dropped to a level lower than that which existed three years ago. The shares went up moderately during the early months, keeping pace with general security prices. While a number of companies showed an increase in premium income and low loss ratio, these favorable factors did not hold the market, but insurance company shares sagged with the rest. "Best's News" states that the general average declined 27 percent.

"Best's" takes 50 leading companies and shows the market value of the shares at the close of 1936 to have been \$1,097,146,000 and the same companies dropped to \$797,476,000 Dec. 31, 1937. At the close of 1935 the market value of these same companies was \$1,137,101,000. At the close of 1934 the figure was \$825,898,000 and at the end of 1933, \$560,307,000.

Taking the four-year period ending Dec. 31, 1937, "Best's News" says that the company whose stock made the greatest recovery was the Baltimore American, a member of the Home of New York fleet, which registered an appreciation of 150 percent. Other companies whose shares made marked recovery, all advancing 100 percent or more, were the Pacific Fire, Fidelity & Guaranty Fire and National Union Fire. Attention is called to the fact that impressive gains made over the four-year period were also registered by the New Jersey, American Reserve, American Equitable, National Liberty and Bankers & Shippers. The Russia showed the

heaviest drop last year, being 57 percent. "Best's News" says the New York Fire, Globe & Republic and Knickerbocker were among the relatively few which showed any appreciable enhancement in the market value of their shares during 1936, which reacted to a much greater extent than the general average.

"Best's News" states that a study of investment portfolios in the light of market action of different groups of securities reveals that as a general rule the companies with bond portfolios hold up better than the average. Outstanding in this respect were the New Hampshire Fire and the Northwestern National. Of all companies listed, however, "Best's News" says the Halifax Fire, allied with the Home of New York with a mixed portfolio, held up better than the rest.

APPOINTMENT IS SIGNIFICANT

The appointment of H. K. Schauffler as assistant manager of the National Board is an important step in the broad public relations program embarked upon by the National Board last year when it began its national advertising campaign. For the past several years he has been engaged in public relations work for the American Telephone & Telegraph Co., which has been successful in making the public aware of the importance of its service.

Mr. Schauffler was born in Chihuahua, Mex., in 1901. He attended Phillips Andover Academy, graduated from Williams College and Wadham College, Oxford. He started as an assistant buyer for the National Cloak & Suit Co. in Kansas City. Later he became a reporter and editorial writer for the Kansas City "Journal-Post." He later worked in the London office of the Associated Press.

In 1926 Mr. Schauffler joined the Bell Telephone system, first as a writer in the information department of A. T. & T. He became publicity manager of the long lines department and later press manager. He served as special representative, broadcasting and telephoto, for two years and since 1931 has been executive assistant of the information department.

KNIGHTS OF THE ROUND TABLE

Thirty-two attended the annual dinner in New York of the Knights of the Round Table, a social organization composed primarily of fire company officials. C. F. Sturhahn, Russia, is king of the order, a perpetual office. Harold Warner, Liverpool-Royal, was elected president succeeding P. B. Sommers, American of Newark. H. N. Kelsey, scribe, and H. H. Clutia, Northern of New York, treasurer, were reelected. A feature of the evening was the raising of two neophytes to the rank of esquire. Three esquires were also made knights. P. L. Haid, president of the Insurance Executives Association, and W. B. Rearden, vice-president Firemen's of Newark, furnished a considerable portion of the evening's entertainment.

CURTIN'S WORK ENLARGED

James T. Curtin, resident manager in New York for THE NATIONAL UNDER-

FIRE ADJUSTER AVAILABLE

Company Adjuster with 11 years' experience in fire and allied lines. Familiar with entire Middle Western field. Capable. Good references.

ADDRESS H-11, NATIONAL UNDERWRITER

INLAND MARINE MAN

A company western department located in Chicago has unusual opportunity for young man with about five years inland marine underwriting experience. Reply stating age and experience.

ADDRESS H-12 NATIONAL UNDERWRITER

WRITER since 1934, has been placed in charge of sales to life offices for that territory as well as fire and casualty. He succeeds W. A. Spiker, who recently resigned to join the Osborne Bethea agency of the Penn Mutual Life in New York City.

Mr. Curtin started with THE NATIONAL UNDERWRITER as a specialist on the "Fire, Casualty & Surety Bulletins," the loose-leaf educational and reference service, and soon rolled up a remarkable record. He sold a number of group orders. One large company now uses 138 sets of the "F. C. & S. Bulletins."

As a young man Mr. Curtin won considerable renown as a sprint swimmer. He was on Columbia University's championship swimming team when he was a freshman and later swam on New York Athletic Club teams. From the time he left school until 1934 he was

employed by the National City Bank and by Wall street brokerage houses and accounting firms.

Though continuing to specialize in the fire and casualty field, Mr. Curtin sold THE NATIONAL UNDERWRITER'S publications and services to life offices, particularly in New Jersey, and during the 1937 Diamond Life Bulletins contest finished among the leaders. Consequently, he is thoroughly familiar with all of the company's lines and has already made an excellent showing in taking over the New York City life territory.

Courses qualifying for insurance brokers' examinations in New York state are now available at the Central Branch of the Y. M. C. A. in New York City. The initial lecture will be given Feb. 14, following which classes will be held at frequent periods until June 8, final examinations to take place June 10.

AS SEEN FROM CHICAGO

SKOW HEADS SPECIAL RISK GROUP

Walter Skow of the Fireman's Fund was elected president of the Western Conference of Special Risk Underwriters at the annual meeting in Chicago. Warren Baker of the North America is the new vice-president and E. H. Born of the Western Underwriters Association was reelected secretary. J. M. Clark, New York Underwriters, the retiring president, reviewed the significant events of the year.

W. C. BOND IS HONORED

W. C. Bond, who resigned as automobile superintendent in the western department of the Sun, was given a complimentary dinner by personal friends and agency associates in Chicago. He is becoming a member of the firm of Bland & Co. of St. Louis. Joseph Schreiner of R. H. Beard & Co. presided. Some of the leading men in the Sun's western department were present.

EXTENDED COVERAGE ADOPTED

The Chicago Board has adopted the new uniform extended coverage endorsement, now in use in most eastern and middle western states. Forms will probably be furnished to offices within a week or ten days.

Many of the provisions in the new national standard form are based on the original Chicago Board form, which, incidentally, was the first to be called "extended coverage", the other forms being termed "supplemental contracts."

J. E. MATTIMORE IS DEAD

Funeral services were held in Hastings, Minn., Monday for James E. Mattimore, Chicago manager of Phoenix of London, who died suddenly at his home in Chicago. Although he had been complaining of a pain in his arm for several months and did have high blood pressure, his condition was regarded by no means as critical and his death was entirely unexpected. It happened that T. J. Irvine, U. S. manager of the Phoenix, was in Chicago at the time, on his way back to New York from a Pacific Coast trip.

Edward Mattimore, a brother, who is a St. Paul lawyer, went to Chicago to assist the family. Another brother is Richard Arlen, the well-known moving picture actor.

Mr. Mattimore gained experience in a local agency in Oklahoma before the war. After serving in the war, he took a position with the Columbia of New Jersey, traveling in the southwest. When that company was taken over by the Phoenix of London group, Mr. Mattimore was made superintendent of the automobile department of the Phoenix in the old western department in Chicago. In 1923 when the western department was removed to New York, Mr. Mattimore became Illinois state agent and served in that position until a year or so ago when he became Chi-

cago manager. He was 45 years of age.

Mr. Mattimore was one of the best known men in the Illinois field and had been chairman of the relief committee of the Illinois Blue Goose for many years.

Attending the funeral from the Chicago office of the Phoenix were T. L. Pusey, brokerage department manager, and H. A. McKenna, agency supervisor for Indiana for London Guarantee, resident manager for Illinois, Indiana and Iowa for Phoenix Indemnity and special agent in the western states for the marine department.

WHITE SULPHUR IS SELECTED

The arrangements committee of the Western Underwriters Association, which among other things selects the place of meeting, recommends White Sulphur Springs, Va., for the spring meeting to be held the week of April 17. April 17 comes on Easter Sunday. Whether the governing committee which meets Thursday of this week will order the date changed remains to be seen. The regular meeting starts on Tuesday of meeting week but a large contingent arrives the Saturday before the meeting in order to have a few days of golf.

RINDER ON THE MEND

E. W. Rinder, manager of the Insurance Exchange building in Chicago, who suffered a stroke while on a visit at Evanston, Ill., Christmas Eve and has been confined to St. Francis Hospital there, is slowly on the mend. He is able to sit up a few moments in bed and in a wheel chair.

Northern of New York Men Are Accorded Promotion

William Williams has been elected vice-president and secretary of the Northern of New York, and R. W. Wetzel secretary. Mr. Williams had previously been secretary and Mr. Wetzel had been serving as assistant secretary. Mr. Williams completed 20 years in the service of the Northern on Nov. 10 last year. For a number of years he traveled for the company in New England. He has been a member of the home office executive staff for a number of years.

Mr. Wetzel began with the Northern as special agent in Ohio and for a time was in charge of the Pacific Coast department at San Francisco. Three years ago he was called to the home office as assistant secretary, in which capacity he has been assisting in the supervision of the western department.

Texas Extended Cover Hearing

A hearing is to be held before the Texas Board of Insurance Commissioners March 1 at which consideration will be given to the extended cover endorsement.

"Sure,
I can quote a Rate"



The old-time insurance agent or broker either had to carry all of his manuals with him when soliciting business, or go back to his office, dig up the information, telephone, or make another visit.

The modern agent utilizes the handy, pocket size Phoenix-London Group rate chart which contains rates for most forms of fire and casualty coverage in his territory. If you want to join this modern group, write for your copy today. It will be delivered promptly, free of charge.

The RATE CHART to end all Rate Charts

FIRE COMPANIES

Phoenix Assurance Co., Ltd.
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.
The Union Marine & General Insurance Co., Ltd.

CASUALTY COMPANIES

London Guarantee & Accident Co., Ltd.
Phoenix Indemnity Company



PHOENIX-LONDON GROUP

55 FIFTH AVENUE, NEW YORK, N. Y.

Dept. N

I'll be glad to stop carrying a pocketful of manuals—
please send me "The Rate Chart to end all rate charts."

NAME _____

PLEASE PRINT

ADDRESS _____

SOME OBSERVATIONS ON C. R. STREET

(CONTINUED FROM PAGE 5)

public relations were concerned, I am quite sure he lacked political sagacity. Be that as it may, he was often the intermediary in difficult situations that arose and in many of them he did become a peacemaker.

Mr. Street Possessed Uncanny Memory

Mr. Street had an uncanny memory. He did not lumber up his mind with insignificant facts and figures alone but in his mental storehouse he certainly had within its walls much information of positive and useful value. With so called "memory sharks" they fill their minds with a miscellaneous lot of stuff which tends to blunt their imagination and dull their resourcefulness. Not so with Mr. Street. He had, so to speak, an historical continuity of insurance, economic and business facts in his mental repository. Frequently he did not call for the records because he remembered just the facts he desired. Going back to the time when he was a minor clerk in the old Phenix office up to the day he was taken to the hospital, he had acquainted himself with men in the business, with risks, with towns, with agents, agency conditions. Regardless of the marvelous power of recollection, his other faculties had in no way lost their virtues. He did possess imagination.

Mr. Street Was a Keen Underwriter

He was an underwriter, a keen analyst, he had the correct measure of risks and agencies. He was one of the few men who sat in a western managerial chair who did not come up from the field. He had been an office man all his life. Because of the lack of field experience he may in some respects have been handicapped.

Mr. Street was a glutton for work. He was an indefatigable laborer. He literally died with his boots on because up to the time of his operation he was dictating letters to his secretary and conferring with his associates. His mind was alive and alert. He wanted to know what was going on at the office and gave commands as to procedure to be followed.

He was early in going to his office and late in leaving. He never went to lunch unless there was some committee or organization having a luncheon. Along about 3:30 o'clock he would have a milk shake or a malted milk delivered to his office. He went to his office on Sundays and worked until 1 o'clock in the afternoon. He then went to the barber shop and got fixed up.

Mr. Street Was Ever Indefatigable in Work

His desk was always piled fairly high with all sorts of manuscripts before him. He did not pass very much outside of the routine on to subordinates. He was able to assimilate much. He never would have been able to have accomplished what he had unless he had worked long hours. He was busy not only with the Great American duties but with the organizations and committees outside.

Mr. Street was a slave to his office and his own business. That was his life. He had no hobbies except playing bridge. His office door was never closed. He was always approachable. Many times his own agents who came from outside points would come to our office in a state of wrath claiming that they had been insulted by Mr. Street because he did not stop his work to talk to them. I seldom saw Mr. Street when he did stop. He was always reading carbons, signing letters, checks, reading manuscripts. Now and then he would lean back to make a few remarks but as a rule he kept his eyes intently on his desk, engrossed in the task before him. Yet he knew everything that

his caller said to him and at proper moments he would reply intelligently. He meant no discourtesy in this manner but he had before him such a multitudinous lot of details that he felt he could not afford to stop.

Those who frequented his office always saw him with a cigar in his mouth which ever and anon went out and he had always at his hand a big box of matches so that he lighted a half smoked cigar every few minutes. He never offered a cigar to a visitor. While he smoked cigars he had an inveterate hatred of cigarettes. He referred to them as "the criminal cigarettes." In his report on loss adjustments for the Western Underwriters Association he never failed to take a mighty crack at the cigarettes.

He stated to me from time to time that he enjoyed going to Denver or Los Angeles because he would be in his Pullman berth and would not have to get up in the morning. That seemed to be his main time for rest and relaxation. At home there was always the urge to get down to his office. Up to a few years ago he never took a vacation. When he went away, even last year, it was a mystery where he had gone and how long he would stay. The men in his office had wagers as to the time he would return.

Was Always Supreme in His Office Affairs

In his own office he was always supreme. It was in many ways a one-man organization. In this respect, Mr. Street displayed a weakness. He did not build men as he should in that he would not delegate authority. He was too anxious to have his subordinates run to him for instruction or counsel. He was the sole commander and he it was who gave orders.

Mr. Street was never a back slapper, a hearty handshaker, a hale fellow well met. He had a rather brusque and abrupt manner. To those who did not know him well he seemed probably ill-mannered and somewhat brash. I have sat in his office when he would ring for an employee and almost literally tear his hide off for something he had done. That, of course, from an office administrator is an inexcusable method of discipline. Yet beneath the rough exterior and often harsh speech there beat a warm and human heart. He was loyal to his people who were loyal to him. There was nothing too great or too small for him to do for them. Let anyone be in trouble and he was the first to go to his rescue. He kept some men in his organization when he had been embarrassed and sorely tried by their conduct.

Often Went Back to the Old Phenix Days

He reverted oftentimes to the old Phenix days and somehow there was a very rich vein of sentiment in his nature for those that were associated with him in the springtime of life. At one of his recent field meetings Mr. Street told the men that undoubtedly they had heard he was going to resign. He stated in a graphic way that he would retire when he was not able to do as much work as any five men in the office. In a great many ways Mr. Street was a hard taskmaster. He cracked the whip both in the office and field. Some of his exactions, especially in connection with field men, seemed unjustifiable. We all remember a few years ago when he coined the phrase that modern field men were "like waiters without aprons." He meant by that that field men were not properly clad for their work. They skipped what they were doing. They did not get down and work with the agent and be constructive in their relationships. Mr. Street gloried in the coining of these rather clever phrases.

However harsh he may have seemed

in his discipline of field men, he always was proud of "my people." In this respect he was as tenderhearted as a child. Even those who were associated with him in the old Phenix days and located elsewhere often sought him out as their counsellor and friend. He was ever ready to lend a helping hand.

Mr. Street undoubtedly made the big mistake as he had more and more responsibilities thrust upon him and his sphere became greater and wider in not attending only to the more important phases of his work and leaving much of the details to others. He lacked in administrative system and procedure. Many very successful organization heads become adept in selecting men. They get about them those who have the ability and power to do things. Mr. Street desired to do the things himself. Undoubtedly he was sure what he could do and he was not sure what others might do.

Mr. Street was never a showman. He was not dramatic in anything that he did. In his public utterances and in his contributions he oftentimes was daring and now and then his course was rash.

Wanted Home Rule for the Western Men

One of his pet peeves was his feeling that easterners attempted to dictate to the west. He was a home rule man to the very core. He did not hesitate to speak in very satirical terms about eastern officials telling the westerners what to do. He talked to his own officials in this same way. At times he was offensive in this respect in his utterances but he did not hesitate to express his opinion in season and out on this particular subject.

Mr. Street always gave much attention to losses. He was a very keen observer of hazards and conditions that may cause a loss. He believed in getting the right kind of adjusters on the job. He was the bitter foe of public adjusters and incompetent independent adjusters. He often caused offense to some of the independent adjusters because they claimed that he was too extreme in his utterances.

Mr. Street's Attributes Put Into a Summary

To sum up Mr. Street's attributes, he was a genius in many respects in his special business, thoroughly saturated with it, knowing fire insurance from stem to gudgeon, a slave we might say to his office, a man of splendid judgment, possessed of wide underwriting experience and knowledge. He was interested in little else than his business or in enterprises with which he was personally concerned.

We all wish Mr. Street had arisen above occupying so much time and attention with trivial duties which others could have dispatched with more efficiency than he. It is unfortunate that with his alert and bristling mind, he did not move with in a wider circumference. He had no outside interests. He knew not how to play, to relax, to indulge in sports. He was not concerned with social amenities, civic affairs or cultural pursuits. Yet within his own sphere he was indeed a master.

Mr. Street's word was always upheld. He needed no bond behind his pledge. His oral promise would not have to be reduced to writing to bind it. He believed in sound, honest, orthodox, ethical practices and he stood by his principles. With his fundamentals, he would have made a great leader if he had not dwarfed his talents by being absorbed in routine.

Mr. Street would not have accomplished so much nor climbed the heights he did without long, arduous days—and all days for him meant constant work. He lent himself to unremitting toil. His quotient might be Experience + Knowledge + Good Judgment + Ceaseless Work = Success.

Mr. Street had but little sense of humor and for the last 20 years took himself quite seriously. Yet he did not become, as we often see in such cases,

a fanatic, a one track mind or lop sided. He kept a rather fresh outlook on his business. His mental faculties were keen and he possessed imagination. He peered within it is true and yet he looked also without.

Mr. Street could not be called an autocrat and yet he ruled the roost. There was one man in command all the time. His organization did not work under the paralyzing fear so well exemplified with Henry Evans, for example. It rather lived under restraint. That is, Mr. Street laid out the program and cut the pattern. He gave the orders and it was incumbent on the organization to obey. No one dared modify an order or execute a new one, without approval from his office. Hence the organization watched its step so as not to incur the displeasure of the chief.

That magnificent, tremendous organization of the old Phenix was created and developed by Burch and Harbeck, not by Street. Mr. Street inherited it, although it was somewhat decimated by President Henry Evans.

Key Men Were Trained for Their Positions

So in the Great American, Mr. Street's key men for the most part had been trained for him. Unfortunately their potential capacity for growth was stunted under his leadership. No, Mr. Street was not a maker of men. It was not his nature. He insisted on doing most of the work himself and told his people how to do the rest. He thus stifled initiative in not delegating authority.

In his relationship with his head office he desired nothing so much as to be left alone. He had profound respect for his officials but he hoped they would confine their attention to the east and south. President Koop and his associates appreciated the fact that Mr. Street was an encyclopedia of insurance information in the west, so they wisely left him at the helm, gave no instructions and few suggestions. No home office man attended the annual western field conference and in fact outside of Mr. Street's chief assistant home office people were entirely unacquainted with the department personnel, simply because Mr. Street introduced no one.

Insurance News Men Put on Memorable Skit

The insurance newspaper men participated in the fiftieth anniversary banquet given to Mr. Street in Chicago in February, 1934. Let it be said that in his relationships with the representatives of the insurance press he was always straightforward. He never tried to disarm, deceive or mislead newspaper men. He was very frank and open in what he said. He realized that it was to the advantage of the reporter to know the background and facts. Then Mr. Street would draw a line and tell his newspaper friends just how far they could go with safety. I do not believe that anyone ever violated a confidence.

We prepared three episodes in Mr. Street's career for the anniversary banquet, the first representing him when he arrived in Chicago in February wearing a straw hat and a long linen duster, as it was called. Levering Cartwright of THE NATIONAL UNDERWRITER impersonated Mr. Street, H. J. Burrage of THE NATIONAL UNDERWRITER was the office boy and C. M. Hayden, vice-president of the Glens Falls, was an examiner, "Jimmie" Ghee, and I impersonated General Agent T. R. Burch of the Phenix.

Meeting of Subscribers Actuarial Committee

The next episode represented Mr. Street as chairman of the subscribers actuarial committee. He was very ably and understandingly portrayed by the late T. R. Weddell of the "Insurance Field." Before the arrival of Mr. Street at the committee rooms the rest had threatened not to be under Mr. Street's domination any further. They all boasted of what they were going to do but when Mr. Street sat down at the head of the table and began lighting

his cigar from time to time and telling his associates what should be done, they all retreated and obeyed him. In this episode Mr. Burridge represented Fred M. Gund of Crum & Forster, Levering Cartwright, the late J. V. Parker, manager Western Actuarial Bureau; Mr. Hayden, C. F. Shallcross, manager of the North British & Mercantile, Frank L. Erion, independent adjuster, C. R. Tuttle, then manager of the North America, and I impersonated George H. Bell, western manager of the National of Hartford.

Mr. Street Represented in His Own Office

The third episode represented Mr. Street in his office, again being impersonated by Mr. Weddell. Frank Erion was dressed in women's clothes and was his private secretary. Levering Cartwright was the insurance newspaper man who entered the sanctum smoking a cigarette, and was properly rebuked. Howard Burridge represented Oscar Chandler, an examiner. Chester Hayden was an irate adjuster who called to speak his mind about Mr. Street's utterances, criticizing his craft. I represented George W. Carter, Detroit agent, who had a number of grievances and threatened to have them settled by George Bell when Mr. Street informed Mr. Carter that he was the only man who could adjust the differences and get things straight.

In these episodes Mr. Street's idiosyncrasies were brought to the front and yet his virtues were portrayed. Perhaps we could not have pictured anyone else in the business as we did Mr. Street. He enjoyed it heartily and afterwards read the script which was written by Levering Cartwright with a relish. This showed the tolerance breadth of the man. He realized that this skit was put forth in good fun and he took it that way.

Mr. Street at times showed the tender side of his nature. He was exceedingly fond of his grandchildren and nothing appealed to him more than to be in the company of these little folks.

Mr. Street Last of the Old Time Managers

After I learned that he was in Presbyterian Hospital for an operation I dropped him a line expressing good wishes and reminded him that he probably was the "last of the Mohicans." Mr. Street had seen insurance men come and go and had participated in the events of the business in a very active way for 50 years. When I first knew Mr. Street, the western managers were individualists. Each one stood out alone. The business was less complicated and much smaller. Almost all of them came up from the field. In their special agency work they got business on account of their personality. Many of these managers were picturesque. They were not made according to any type or form. Each man was a tree in the forest unlike the rest. Today these same men would not be able to administer a department. Mr. Street belonged

to the last generation. He had his interesting, outstanding and unique peculiarities and idiosyncrasies. He was an individualist in many ways. I told him that he and I had been going along the journey for many years and that I had always felt a keen interest in him.

Mindful of Those Loyal to Him

I am closing this sketch with the statement that he did much for me. At times when he knew I was out of the city he would call up the office, thinking that my associates might miss some event that was happening. That was characteristic of "Charlie" Street. Ever mindful of those about him and yet autocratic if he so desired.

I received from him under date of Jan. 21, a couple of days before he underwent his operation, a reply to the letter that I had sent. I am leaving this with those who read this personality review because it may seem in a sense a last message of Mr. Street. It is certainly characteristic of him. It shows that even approaching a crisis he dictated his views and signed the letter with his familiar and firm signature with that peculiar "S" that he used with the first letter of his last name. The letter follows:

Mr. Street's Letter Before He Underwent Operation

"I appreciate very much your letter of yesterday, received this morning. The doctors do not think I am in exactly the right condition to make an operation altogether easy, and it is possible the carving will not take place until Monday morning, though am pulling hard for them to get at it sooner and let me out that much earlier. The operation is not serious but is one which will mean time must be taken for recovery.

"Yes, I am the last of the old-timers but there is many an occasion on which it seems hard to realize that is true. For so many years I belonged to the younger generation that it is a little difficult for me now to appreciate the fact I have either outlived or outerved the others and have to a certain extent reached the point where when I have to take some advanced position in connection with our business, it is more difficult to get that support which was so readily accorded by men of my own age, who did not know quite as much as the younger generation. Naturally I do not expect to be active for many years to come but hope during the time which is left me to be able to maintain a reputation for doing something for the business as a whole rather than for the particular selfish interests I individually represent. Somehow or other I have always had the idea that only in the prosperity of the business as a whole could the Phenix, the Great American or any other institution properly receive its dues.

"I first wrote an insurance policy at the age of 16, and that is now 56 years

New F. I. A. President Named

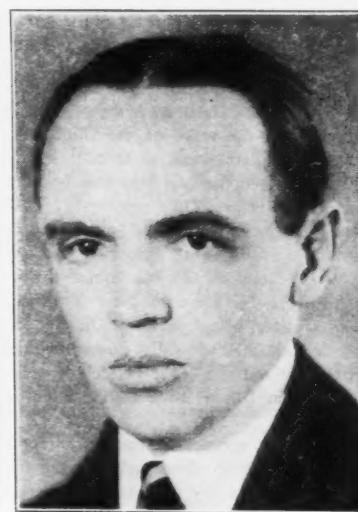


F. C. WHITE

At the annual meeting of the Factory Association of Hartford that was held in New York, F. C. White, who had served as president since 1933, said that he desired to be relieved of the responsibility. Mr. White is vice-president of the Hartford Fire. J. K. Hooker, vice-president of the Automobile and Standard of Hartford, was elected as the new president.

Mr. Hooker has previously served as treasurer and as vice-president of the F. I. A.

A native of Hartford, Mr. Hooker received his education in the Hartford public high school and at Yale University, graduating with the class of



J. K. HOOKER

1909. He has been engaged in the insurance business since 1910, having been employed by the Standard Fire of Hartford at the time of its organization in that year. He was elected assistant secretary of the Standard in 1915, secretary in 1921 and vice-president in 1924. In 1929 he was also elected vice-president of the Automobile.

Mr. Hooker has had an opportunity to study every branch of the fire business. He served as special agent for New England until 1915, when he was brought again to the home office and made assistant secretary.

Mr. Hooker is a vice-president of the Southeastern Underwriters Association.

ago. Next month it will be 54 years since, as a minor clerk, I came to Chicago. It is difficult to say exactly how long ago I began to discharge the duties incident to some sort of job in which considerations would be given to the good of the whole. Anyway, in my declining years I am proud of the fact I have never been selfish, that I have from time to time been placed in positions where a reasonable amount of influence for the general good could be exercised and that the Almighty blessed me with a reasonable amount of ability to make myself felt and understood.

"You are not so old but that you remember the administration of the immortal Teddy—Roosevelt the First, I call him. Probably no man occupying such a position of prominence has ever had such a hold on the affections of the people as Teddy, and among the greatest of his accomplishments was introducing into the general business of the United States a considerable part of

his code of business ethics, which was a good thing for business and a good thing for us all. It lasted until the outbreak of the World War in 1914, when the whole world went crazy, the American people along with the rest of them, and in many directions business ethics just simply ceased to exist. I have always cherished the hope that some time there would be a Teddy Roosevelt in this great business of insurance and that a realization of the benefits to be derived from the square deal would make those ethical practices permanent.

"Will see you about Feb. 15, and in the meantime, with best regards."

Assistant Commissioner Resigns

Warren W. Shaw, assistant commissioner in Kansas since August, 1935, has resigned to enter the private practice of law. Robert Osborn of Stockton, assistant attorney in the highway department, succeeds him.

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Manhattan Underwriters Agency
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EDITORIAL COMMENT

Coditis, Appendicitis—Illinois and New York

THE question has arisen as to whether the New York insurance department is following in the wake of the Illinois department. There seems to be considerable rivalry between the two departments. For instance, Insurance Director ERNEST PALMER of Illinois constructed an insurance code and therefore he was said to have developed "coditis." In due course Superintendent L. H. PINK of New York announced that his department desired to have a code and naturally insurance men felt that he did not desire his fellow commissioner in Illinois to get the better of him.

Then last spring Insurance Director PALMER suddenly developed appendicitis and it was necessary for him to undergo an operation. He seemed to stand alone in this direction but New York not desiring to sit in a back seat, made a direct appeal to Superintendent PINK and so he had an appendectomy and is just re-

covering. Thus New York's reputation for being on the job is preserved.

At the mid-year meeting of the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS in New York City, Superintendent PINK who had thus gained "coditis" fame but had not had in mind appendicitis, made the following remarks:

"Now, ERNEST PALMER had coditis and he got through with it. I noticed down at White Sulphur, where we were the other day, that he wasn't unpopular any longer. He danced with the prettiest daughters of all of the insurance executives. I noticed that the insurance executives took him in the bar and treated him on every possible occasion. So that while this disease of coditis is a serious one and is an unpopular disease, I believe that perhaps even the commissioner of New York can get over it. But I am going to try my best not to get appendicitis, as Commissioner PALMER did."

Effective Force in Auto Accident Prevention

THE announcement of the AUTOMOBILE PROTECTIVE & INFORMATION BUREAU that it will ally its forces in a very active way in the automobile accident prevention campaign will give much added momentum to that important movement. The bureau has worked most effectively along automobile theft lines and with greater zeal on the part of municipal authorities has brought about a material reduction so that in many localities automobile theft rates have been reduced.

THE AUTOMOBILE PROTECTIVE & INFORMATION BUREAU will enter the lists in a different but we believe in as efficient a manner as any other organization. Its members have been aroused by the mounting automobile collision loss ratio. Therefore while it is cooperating with governmental and other authorities in the attempt to check automobile acci-

dents and in that it has a public concern, yet if the dollar is involved, it will add much to the pressure behind this effort. The bureau has field men. They will cooperate with public authorities and will supplement the activities now in vogue.

One of the promising features of the program will be as thorough a study of collision results as possible. In this way adjusters and inspectors will mobilize a body of experience that can be analyzed in order that "hot spots" can be brought out and some definite work can be concentrated on particular points or areas where collisions are predominant. After all the AUTOMOBILE PROTECTIVE & INFORMATION BUREAU when it has sufficient information accumulated may be able to be a very practical force in this highly important movement. It will not generalize but will particularize.

The \$1,000 Automobile Policy

ANNOUNCEMENT that the National Bureau of Casualty & Surety Underwriters has finally promulgated an automobile bodily injury liability and property damage liability policy with a combined limit of \$1,000 will take many well informed insurance men by surprise. The proposal for such a policy received much publicity last year and apparently it had been permanently shelved. Several people who participated actively in the conferences over the safe driver reward plan had no inkling that a revival of

the low limit policy was suggested or contemplated.

The official explanation of the bureau is that requests have been made for this policy by representatives of organized agents during the recent negotiations. It will be recalled that the bureau, in shelving the plan last spring, announced that it would be revived only on request. The agitation for compulsory automobile insurance, which was largely responsible for the original proposal for the \$1,000 policy, has apparently died

down to a great extent. Hence, the advisability of inaugurating this policy at a time when the safe driver reward plan is in the minds of every one and apparently needs some selling to both agents and assured might be questioned.

The \$1,000 policy can perform a useful function if it is actually sold to persons who do not now carry automobile liability insurance. No one will dispute the premise that agitation for compulsory insurance would not exist if a large proportion of automobile owners and drivers were insured. From this viewpoint, the \$1,000 policy is sound. Ability to pay damages even to this limited extent takes a driver out of the "judgment proof" class. The majority of accidents involve damages well within this limit and hence satisfying these claims, where legal liability exists, would go a long way toward diminishing the clamor against financially irresponsible motorists. Unless, however, the policy is sold to a substantial number of uninsured drivers, little can be expected of it.

The biggest danger is that the \$1,000 policy will be sold to persons who are

now insured with standard limits. To producers who are not very courageous salesmen, a strong temptation could be presented to offer this policy when the assured balks at renewing his liability coverage, saying the price is too high or that he has been offered a lower premium elsewhere. This danger may conceivably be intensified by the fact that the standard premiums in most territories have been increased somewhat, due to the application of the safe driver reward plan. From the viewpoint of the assured, the \$1,000 combined limit is inadequate protection. To a substantial person it can hardly be said to be worth the 27 percent reduction in premium. Conversion of a considerable part of the present business written with standard limits to the \$1,000 policy would be a calamity for companies, agents and assured.

It is to be devoutly hoped, therefore, that the \$1,000 policy will fulfill its mission of bringing insurance to the uninsured and that it will be used, not abused, by the men who produce the business in the field.

PERSONAL SIDE OF BUSINESS

Ansel Earp, prominent local agent there, has been elected president of the Oklahoma City Community Fund.

The engagement of **Roger W. Budlong** of Chicago, editor of the "Insurance Broker," to Miss Eleanor Rockafellow is announced. Miss Rockafellow's father, E. C. Rockafellow, is assistant secretary of the Washington National. Roger Budlong belongs to the famous Budlong insurance family. His father for many years was vice-president of the Federal Life.

J. Lester Parsons, head of the Crum & Forster companies, and Mrs. Helen Boynton Wells of St. Louis were married the other day and are sojourning at Miami where they will spend a couple of weeks or so cruising in the waters there.

J. Frank Bohrer, Michigan state agent Camden Fire, is recovering from a serious illness at his home and will be back on the job in two weeks. Early in January he was taken to the hospital, where the illness was diagnosed as bronchial pneumonia. He was confined to the hospital for two weeks. Mr. Bohrer is secretary of the Michigan Fire Prevention Association.

W. C. Kenney, president of the Kenney Co., St. Paul agency, had a busy time this week as president of the St. Paul Winter Sports Carnival. Ideal weather conditions the opening day brought out a record-breaking crowd of 300,000 people, who lined the streets to view the parade of 25,000 uniformed marchers.

M. L. Brown, who served as insurance commissioner of Massachusetts from 1928 to 1935, has been elected a director of the Boston Mutual Life. Mr. Brown is now practicing law. J. L. John-

son, a coal company executive, has also been elected a director of Boston Mutual.

H. F. Berry, secretary New Hampshire Fire, returned to the office this week after an absence of about 15 days following a slight operation at the Manchester Hospital.

Mrs. Viola B. Wells wife of **N. H. Wells**, special agent Hartford Fire, Louisville, died at her home there.

A. H. Harmon of the Archer-Meek-Harmon Agency, Columbus, O., died at the age of 53 in a hospital in that city. He has been under treatment for two weeks.

R. L. Emery, president of Emery & Kaufman, New Orleans general agents, has left on a tour which will take him around South America.

Harvey A. Bush of Chicago, assistant western manager of the Fireman's Fund, who before Christmas incurred bronchial pneumonia, is now on the southern shores of Florida recuperating. It will probably be a month or so before he can return to his work.

O. W. Follett, 61, for the last 12 years Iowa and Nebraska state agent of the London Assurance, died Saturday at his home in Des Moines of a heart attack. Funeral services were held there Monday. Mr. Follett was formerly a lawyer and became interested in insurance through serving as attorney for the old Hawkeye of Iowa. He liked the insurance business and went to work as a special agent for the Home in December, 1909, continuing with that company until July, 1917. He was with the National Union from that date until October, 1925, when he joined the London Assur-

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ance. He was a life member of the Fire Underwriters Association of the Northwest and served as most loyal gander of the Iowa Blue Goose in 1920 and 1921, having acted as welder for two years prior to that time. He helped establish the commission form of government in Des Moines, known as the "Des Moines plan."

Mrs. George H. Newbauer, wife of the Indiana commissioner, who has been ill for some weeks, is making a good improvement in health and they are planning to leave for Florida Friday, driving through.

W. H. Warrens of Portland, Ore., died at San Diego from a heart attack. He was owner of the Oregon General Agency, which he had conducted since 1934. He served many years as a special agent of the American of Newark. He was prominent in the Oregon Blue Goose.

Associated Adjusters Still Active

LANSING, MICH.—Citation by postal authorities of the Associated Adjusters of Milwaukee has not halted circularization of Michigan residents by that concern, according to recent complaints to the Michigan department. Within the past week Lansing residents have received the same form letters as were given widespread publicity when complaints poured in some months ago relative to the outfit's activities. The letters are signed by J. B. Momsen, who paints a glowing verbal picture of the profits to be earned by representing his "organization" in adjustment of automobile claims in an extensive territory. Commissioner Gauss indicated that the department would make a new investigation to determine the status of the proceedings against the Milwaukee concern by the postoffice department on charges of using the mails to defraud.

Royal Holds Agency Rallies

About 30 agents of the T. W. Garrett general agency of Kansas City gathered for a session with H. C. Conick, assistant U. S. manager of the Royal-Liverpool, and his "flying squadron" consisting of C. R. Voorhees, superintendent automobile department; Clark Smith, assistant superintendent special service department; W. L. Falk, superintendent brokerage department, and G. F. Cox, inland marine superintendent.

A similar meeting was held for about 75 Oklahoma agents in Oklahoma City. John A. Bosdett, state agent, presided.

Changes in Fort Worth Company

E. K. Collett, secretary of the Millers Mutual Fire of Fort Worth, Tex., becomes president, succeeding Glen Walker, who becomes chairman of the board. J. B. Knight, assistant secretary, becomes secretary and D. H. Priest, assistant treasurer, is made treasurer.

Heads Body He Founded Twenty-five Years Ago



FRED J. SAUTER

Fred J. Sauter, prominent Chicago local agent, who was reelected president of the Automobile Protective & Information Bureau, at the annual meeting in Chicago, has had his heart in that work for many years. He is credited with having originated the bureau 25 years ago and he served as its first president. He has not served continuously as president but he has been in a commanding position during many years of its existence.

Mr. Sauter recalled that the idea of cooperative effort in recovering stolen cars occurred to him one day when three companies in Chicago at the same time were seeking use of a wood cut of a Chalmers automobile to be used in circulars offering a reward for the recovery of a stolen Chalmers.

Mr. Sauter was advised one morning that a Chalmers which he had insured in the Boston had been stolen. He arranged to have the Chalmers dealer in Chicago lend him the cut of that particular model. Later that day he had a call from Frank Meinel, who was assistant western manager of the London & Lancashire, and who is now a reinsurance man in New York. Mr. Meinel wanted to be "next" on the Chalmers wood cut. Still later the same day the late John A. Gallagher, who was automobile superintendent in the west for the Aetna Fire, asked for the same cut. That gave Mr. Sauter his idea. He suggested that the three companies put out a joint circular. From that incident sprang the Automobile Protective & Information Bureau. Later Mr. Sauter went to New York and helped organize a similar organization. Subsequently the same type of organization was set up in the southeast, in Texas, on the Coast, and in Canada with a reciprocal treaty with Great Britain for the return of stolen automobiles. The latest achievement in this line is the treaty with Mexico for the return of stolen cars.

Merchants Fire Pension Plan

The Merchants Fire of New York has adopted a retirement income arrangement for employees known as the "E. L. Ballard pension plan" in honor of the board chairman, who died recently. Mr. Ballard was the founder of the Merchants Fire and was its first president.

The plan is underwritten by the Equitable Society, which also carries the Merchants group life cover. The plan

is designed to provide a pension which together with social security old age benefits, will produce for any employee of long standing from 35 to 70 percent of his salary, depending upon his years of service.

Western Adjustment Missouri Issue Closed

The Western Adjustment has disposed of its difficulties in Missouri in connection with the practice of law question. The proceedings brought against Western Adjustment by Attorney-general McKittrick of Missouri in behalf of Boyle Clarke's bar committees of Missouri have been dismissed in the state supreme court.

The Western Adjustment has entered into an agreement with the attorney-general as to what its practices shall be in Missouri.

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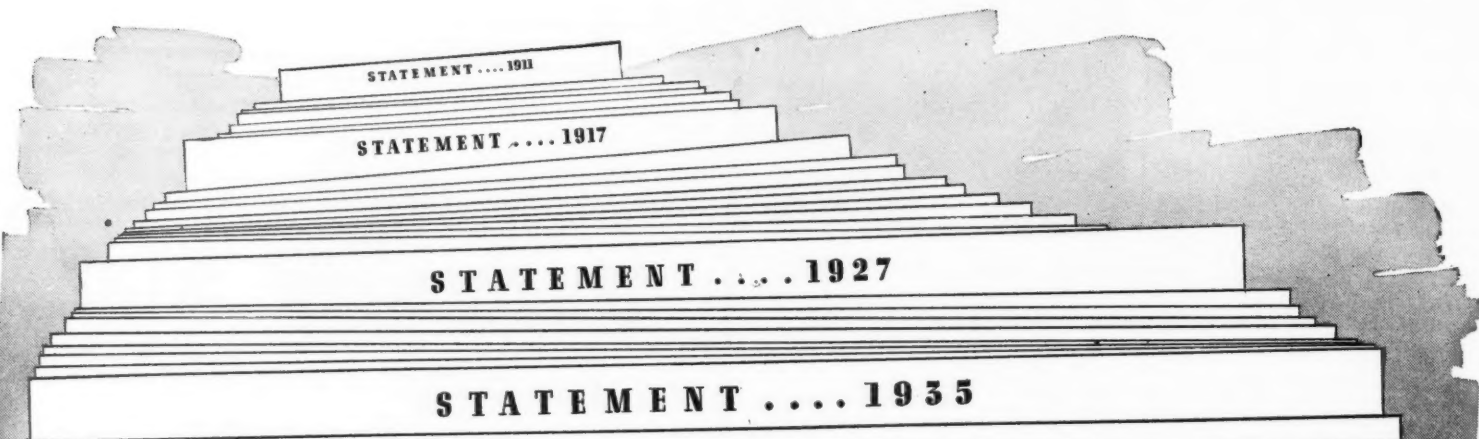
\$18,425,922 ASSETS

LOSSES PAID SINCE ORGANIZATION \$24,345,000

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Financial Statement ... December 31, 1937

ASSETS

U. S. GOVERNMENT BONDS*	\$ 8,750,144.01
CORPORATION STOCKS	5,862,200.00
STOCK OF SUBSIDIARY FIRE INSURANCE COMPANY	873,418.58
†TOTAL INVESTMENTS	\$15,485,762.59
PREMIUMS IN COURSE OF COLLECTION (Less than 90 days old)	1,818,815.76
CASH IN BANKS AND OFFICES	1,793,906.94
ACCRUED INTEREST	56,546.88
TOTAL ADMITTED ASSETS	\$19,155,032.17

*Securities carried at \$947,658.67 in the above statement are deposited for purposes required by law.

LIABILITIES

RESERVE FOR UNEARNED PREMIUMS	\$ 6,189,958.90
RESERVE FOR LIABILITY CLAIMS AND CLAIMS EXPENSE (N. Y. Law)	4,173,102.91
RESERVE FOR OTHER CLAIMS AND CLAIMS EXPENSE	476,336.44
RESERVE FOR COMMISSIONS (Not Due)	393,830.14
RESERVE FOR TAXES	594,056.66
RESERVE FOR OTHER LIABILITIES	22,092.53
CAPITAL STOCK	\$2,000,000.00
SURPLUS	5,305,654.59
SURPLUS AS REGARDS POLICYHOLDERS	7,305,654.59
TOTAL LIABILITIES	\$19,155,032.17

†Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31st, 1937, Market Quotations had been used, the Assets would be \$19,207,868.77, and Policyholders' Surplus \$7,358,491.19.

AMERICAN AUTOMOBILE INSURANCE CO.

L. A. HARRIS, PRESIDENT

ST. LOUIS, MO.

The NATIONAL UNDERWRITER

February 3, 1938

CASUALTY AND SURETY SECTION

Page Seventeen

Merit Rating Is Big Issue of the Day

Stir at Kansas City Over Safe Driver Reward

Executive Committee of Casualty Agents and State Associations Draft Letters

KANSAS CITY—A 5-page letter was drafted here Monday by members of the executive and conference committees of the National Association of Casualty & Surety Agents which outlines the committees' position with respect to the "safe driver reward plan" made effective Tuesday by the National Bureau. The letter will be mailed some time this week to each of the association's members from the office of the secretary, Charles H. Burras, Chicago.

The letter briefly recites details of the conferences which association officials have had with the bureau concerning the plan, and explains that members would have heard from the association heretofore in the matter but that the bureau imposed secrecy on association officials with regard to those conferences.

All objections to the plan are cited briefly.

Says Agency Forces Unanimous

It never before has found agency production forces so unanimously and vigorously opposed to any changes in policy contracts or conditions, the association states in the letter, and points to the flood of protests that literally has poured into the association offices from agents.

The letter outlines briefly the compromise plan the association suggested to bureau officials (which was turned down). One suggestion of that compromise was use of the bureau plan except that, instead of rebating 15 percent at the end of the year, the safe driver be credited on his renewal.

Strong opposition to use of the plan is reiterated. Apparently, the letter states, there is a growing tendency on the part of carriers to disregard producers in vital matters such as this.

Asks for Views

The association urges members to let it know immediately whether or not it approves the stand outlined in the letter.

Present at the conference here Monday were Mr. Burras, C. A. Abrahamson, Omaha; George W. Blossom, Jr., Chicago (Fred S. James & Co.); Cliff Jones, president of the association, and two or three other prominent agents of the country who were called in.

Members of the executive committee who could not attend notified executives

(CONTINUED ON PAGE 31)

Answers on Reward Plan

Information Agents Will Want On New Automobile System Given by Aetna Casualty & Surety

1. Q. Is the application of the plan compulsory or optional for those automobiles that qualify under the terms of the plan? A. The plan is not optional for such automobiles, it is mandatory that all automobiles which qualify for the plan be insured under the plan.

2. Q. Does the plan apply to all cars of the private passenger type? A. No, it applies only to those automobiles of the private passenger type which take private passenger rates.

3. Q. Does the plan apply to an automobile of the pick-up body type, a delivery sedan, or a station wagon? A. Yes, provided such cars are entitled, according to the manual rules, to the private passenger rates.

4. Q. Does the plan apply to a private passenger automobile which is used for demonstrating and testing and subject to the demonstrating and testing rates? A. No, the plan is not applicable to any automobile which is not subject to private passenger rates.

5. Q. Does the plan apply to a private passenger automobile used to transport employees and others, coverage for the passenger hazard being excluded? A. Yes, the plan applies under such circumstances since Rule 72 provides that such an automobile is to be written at the private passenger rates.

Scotmobiles Included

6. Q. Does the plan apply to motorcycles and scotmobiles and similar motor vehicles? A. Yes, provided they take private passenger rates or a fraction thereof.

7. Q. Does the plan apply to a garage employee's car which is subject to private passenger rates in accordance with Rule 55? A. Yes, the plan specifically so provides.

8. Q. Does the plan apply to a policy written on a named operator basis? A. Yes, provided the policy covers the operation of private passenger cars only.

9. Q. Does the plan apply to a policy endorsed for drive other cars limited or broad form coverage? A. Yes.

10. Q. In the case of broad form coverage, if the insured is involved in an accident while driving a commercial car does such accident deprive the insured of the reward? A. Yes, provided a loss is incurred as the result of such accident.

11. Q. If the insured carries increased limits for B. I. but does not carry P. D. does the plan apply? A. No, both B. I. and P. D. must be carried.

Application to Trailers

12. Q. If only B. I. is carried but P. D. is added during policy term does the reward apply at the expiration of the policy? A. No, both B. I. and P. D. must be carried for the full year on at least one car or its replacement.

13. Q. Does the plan apply to private passenger cars written on a deduct-

ible basis for B. I. or P. D. or both? A. No, the plan applies only if the insurance is for full coverage.

14. Q. If a policy covering a private passenger car also affords coverage for a trailer home or for a trailer used to carry persons does the plan apply to such private passenger car? A. Yes, it applies to the private passenger car, but it does not apply to the insurance for such trailers.

15. Q. If a policy subject to the plan is subsequently endorsed to afford coverage for occasional livery use (salesmen's cars, etc.) does the plan continue applicable? A. No, the plan applies only to an automobile subject to the private passenger rates.

Extension of Cover

16. Q. If the policy is extended in mid-term to cover an additional car, is such additional car entitled to the credit at expiration? A. Yes, but only for the period that both B. I. and P. D. insurance was afforded with respect to such car.

17. Q. If the car described in the policy at inception is replaced by another car does the plan continue in effect? A. Yes, it applies to the original car as well as to any replacing car.

18. Q. If the policy covers several cars and some of these cars are subsequently canceled, are the canceled cars eligible for the credit at the expiration of the policy? A. Yes, provided the policy covers at least one car or its replacement for the full policy term of one year.

19. Q. If the policy is transferred from one named insured to another (car sold) does the plan continue to apply? A. Yes.

20. Q. Who receives the reward in the preceding question? A. The insured named on the policy at expiration.

21. Q. If for any reason the policy is canceled by the company is the insured eligible for the reward? A. No, cancellation either by the company or at the request of the insured precludes the payment of the reward.

22. Q. If the policy is canceled by the insured because the car has been stolen or destroyed, is the insured eligible for the reward? A. No, because the policy has not been in force for a full year.

Experience Rating Holds

23. Q. If a fleet of private passenger cars qualifies for experience rating must they be so rated or can experience rating be waived and the plan applied instead? A. Experience rating cannot be waived, such cars are not eligible for the plan, but must be experience rated.

24. Q. If fleet consisting of commercial and private passenger cars qualifies for experience rating must it be so rated

(CONTINUED ON PAGE 31)

Safe Driver Plan Put in Effect in 28 States on Feb. 1

New Rate in Hands of Agents Show Many Reductions

Rates under the new safe driver reward plan for automobile insurance were sent out for 28 states and the District of Columbia, to take effect Feb. 1. In some other states they were held back because the time for taking effect after filing had not elapsed, and in others because of insurance department action. In two or three states where the rates were released the effective date has been postponed.

While agents are still opposing the safe driver reward plan, the National Bureau of Casualty & Surety Underwriters released rates for 28 states and the District of Columbia, to be effective Feb. 1.

The states where the safe driver reward was to take effect were Arizona, Arkansas, California, District of Columbia, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Dakota, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont and Wyoming.

The official release from the National Bureau informed agents that the new rates would not be effective until further notice in Illinois, Louisiana, Massachusetts, Mississippi, New Hampshire, New York, North Carolina, Oklahoma, Oregon, Texas, Virginia and Washington. Agents were informed that in these states business must be written in accordance with the existing rules and rates until further notice. A supplementary notice with the "checking slip" stated that the rate pages for Indiana, Kansas, Missouri, New Mexico, Ohio, Pennsylvania and West Virginia would be delayed and all business in those states must be written under the old rules and rates.

The supplementary notice stated that the change would be effective in Maine, and although the revised rate pages were not completed in time to take effect on Feb. 1, they will be sent out in the course of a few days.

It is reported that the effective date of the plan has been postponed in Wisconsin and Iowa.

It is reported that the companies in (CONTINUED ON PAGE 41)

N. Y. Compensation Rating Board Holds Its Annual Meeting

General Manager L. S. Senior Reports 30 Retrospective Risks Were Filed in 1937

NEW YORK—Thirty workmen's compensation risks with total premiums of \$495,000 were filed by nine carriers under the retrospective rating plan, General Manager L. S. Senior of the New York Compensation Rating Board stated in his report to the annual meeting. Two risks with \$35,000 premiums went back to the standard premium basis. In connection with retrospective rating, he said that a number of exhibits were made available by the board's statistical division for the use of the actuarial committee as a basis for determining premium rates for retrospective and supplementary ratings designed for the larger type of risks where competition between the several classes of carriers, including self insurers, has grown in intensity with the passage of years.

"The introduction of the retrospective plan has been followed by a scheme to waive the surcharges in consideration of an additional premium, a proposal that has been advanced by some authorized as well as non-authorized companies engaged in excess insurance," he said. "We have been forced to meet this competition in spite of our belief that full coverage against surcharges may lessen the zeal for accident prevention on the part of employers who are insured under the retrospective contract."

Conferences with Labor Board

An important phase of discussions now in progress between the board and the state labor department deals with the three special funds created through statutory contributions in the "no dependency award" cases, Mr. Senior said. "Examination by the New York insurance department shows the 'second injury fund' and the 'reopened case fund' to be impaired," he continued. "A report from the state comptroller indicates that the 'vocational rehabilitation fund' has an ample surplus and that the costs of administration greatly exceed the expenditures for direct benefits to men under training. Our studies lead to the belief that a remedy may be found in reallocating the contributions to the respective funds and in providing a greater incentive for the employer or insurance carrier to defend claims presented for second injuries and for reopened cases."

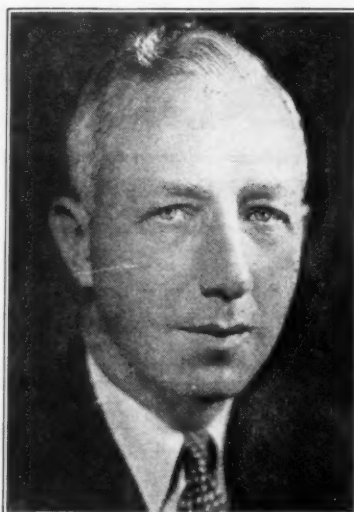
Contractors and Subcontractors

"The insurance problem arising out of the relation of general contractors to subcontractors is receiving attention with the view of developing a realistic program for the protection of the employer, the insurance carrier and the beneficiaries under the law. The solution may be found through a change in section 56 or through an amendment of the New York standard endorsements. A revision of the endorsement has been undertaken but final action was deferred because of the inherent difficulties in reconciling various shades of opinion."

"Definite headway has been made in the arbitration of medical bills. Since the subject is new, we have deemed it advisable to incorporate in this report a comprehensive statement on the method, with suitable illustrations. It is our purpose to extend the work in the current year to the upstate territory and to recommend legislation to make certain the

(CONTINUED ON PAGE 30)

New Vice President



DAVID C. GIBSON, Baltimore

David C. Gibson, director of advertising of the Maryland Casualty, who becomes a vice-president, has been identified with the company since 1934. He spent a number of years in newspaper work and the advertising field. It is unusual to have one in Mr. Gibson's position chosen as an official of a company and therefore the honor paid him is significant. His work has been highly successful.

See Chicago as Hardest Problem Facing Schofield

The casualty acquisition cost conference, of which E. J. Schofield has just been made permanent chairman, has been in existence for nearly 20 years. The fidelity and surety conference, of which Mr. Schofield is also permanent chairman, was formed soon thereafter.

The principal function of each organization is to determine the number of classified representatives each member may have in the various states, the rate of commission and general regulations under which state, regional or district agents shall operate.

In New York City, the regulations of the local agreement have operated satisfactorily. The methods of Arbitrator F. S. Stoddard have contributed largely to that condition. Col. Stoddard was recently named to serve as arbitrator for the casualty conference as well as the surety.

On the coast both of the conferences have operated satisfactorily. Elsewhere conditions are mixed. Chicago notably has been a problem for years. Innumerable conferences have been held from time to time in an attempt to produce more orderly conditions in that city but no progress has been made. This may prove to be the hardest problem which faces Mr. Schofield.

Employers Casualty Changes

DALLAS — Homer Mitchell, former president, was named chairman of the board, a new position, at the annual meeting of the Employers Casualty. A. F. Allen, vice-president, was promoted to the presidency; L. W. Groves, secretary, becomes executive vice-president and E. E. Watts, treasurer, was elected secretary. The capital was increased from \$300,000 to \$400,000 through a stock dividend.

Fidelity & Deposit Meeting

BALTIMORE—Members of the field claim organization of the Fidelity & Deposit and the American Bonding will meet here Feb. 7-8 with the home office claim department. John A. Luhn, vice-president in charge of the claim organization,

Julien Harvey Goes to National Conservation Bureau

Has Had a Wide and Important Experience in Safety Work in Many Phases

NEW YORK—J. H. Harvey, executive vice-president of Greater New York Safety Council, has been named managing director of the National Conservation Bureau, it is announced by C. W. Fairchild, general manager Association of Casualty & Surety Executives. This appointment completes the reorganization of the administrative machinery of the association's stock casualty company's collective services to accident control. This reorganization began with the transfer of the conservation department of the National Bureau of Casualty and Surety Underwriters to the Association of Casualty & Surety Executives and the subsequent creation of the National Conservation Bureau last spring. The transfer was part of a program designed to bring the public relations activities of the leading companies in the stock casualty insurance business under the association's banner.

Staff of the Bureau

In addition to Mr. Harvey the staff of the National Conservation Bureau now includes A. W. Whitney as consulting director; John J. Hall as director of the special service division; H. F. Hammond as director of the traffic division, and Dr. H. J. Stack as director of the education division. Robert Monaghan, director of publicity for the Association of Casualty & Surety Executives will continue to direct publicity for the National Conservation Bureau.

Mr. Harvey first became attracted to safety work when he was engaged in the street railway business in Kansas City, Mo. In 1916 he organized and became the first president of the Kansas City Safety Council. In 1918 he was sent to Rochester, N. Y., by the National Safety Council to conduct a six months' community safety campaign, directed particularly at traffic and home accidents. In that city he developed what came to be widely known as the "Rochester plan." This plan has since served as a country-wide model for community organization of accident prevention activities.

After a successful career in Rochester, Mr. Harvey returned to private business in Kansas City. In 1922 he accepted the directorship of the strong Kansas City Safety Council and served there until 1927, when he joined the National Safety Council to take charge of local safety council work.

Seek to Block Lloyds Deal

COLUMBUS—The Ohio Association of Insurance Agents has asked the superintendent of insurance to inquire into the activities of a firm of insurance brokers in Baltimore, who are licensed in Ohio, in connection with the effort of the National Restaurant Association to sell its Ohio members insurance in London Lloyds. If the firm of brokers is found to be involved in the insurance solicitation the department will be asked to revoke its license, it is said. The coverage proposed is limited, but the rates are considerably below those quoted by companies admitted in Ohio. State laws, it is asserted, forbid anyone from inducing in any way an Ohio resident to insure in an unauthorized carrier.

The Ohio Association of Insurance Agents has asked the associations in Maryland and Illinois, as well as the National association, to take part in the fight against permitting Lloyds to write insurance on restaurants in Ohio.

ation, will preside at the business sessions. Approximately 35 field claim men are expected to attend.

Manual Changes Outside of Merit Rating Are Made

New Non-Ownership Rule Liberalizes Coverage — \$1,000 Limit Form Given

While the safe driver reward plan in the new manual pages effective Feb. 1 will naturally attract the greatest attention among automobile insurance men, several other manual changes have been made by the National Bureau of Casualty & Surety Underwriters which affect a fair amount of the business now written.

Two changes have been made in the rating of trucks. Brewery trucks and those used by distributors of brewers' products remain in class 3, but trucks used exclusively in the retail delivery of bottled or canned beer or ale are now put in the lower rated class 4. Fruit, vegetable and poultry dealers' trucks are reduced from class 3 to class 4 if they are used exclusively within a 50 mile radius of the place of principal garaging. Previously they had to be used within a 25 mile radius to obtain this rating.

Trailer Rules Liberalized

Trailers and semi-trailers of the "utility" or "camp" trailer type, attached to automobiles of the private passenger type, may now be covered under the private passenger automobile policy without additional charge. No specific description of the trailer is needed. This refers to small trailers used for carrying additional goods, such as on camping or vacation trips. It does not apply to trailer homes, to trailers used to carry persons or to trailers used to transport goods, merchandise or other material on any business enterprise. Previously an additional term minimum charge of \$2 for bodily injury and \$1 for property damage liability was made for each trailer of this type. The rule provides that if the trailer is not owned in full by the assured, the owner shall not be covered.

Drive other car coverage, under either the limited or the broad form, is also extended to cover "utility" or "camp" trailers without additional charge.

New Non-Ownership Rule

The additional premium for adding officers of a corporation as additional assured under non-ownership liability policies is reduced to \$4 per officer for bodily injury and \$1 for property damage liability. The old charge was \$10 for bodily injury and \$5 for property damage.

A new rule has been published for commercial automobiles used by the owner to carry fellow employees to and from their place of business. If the passenger hazard is excluded, the commercial rate is used. If the passenger hazard is included and no fare is charged, the commercial rate applies if from one to five employees are transported, otherwise the commercial rate plus 50 percent for bodily injury liability, with no increase for property damage. If a fare is charged and not more than five employees are transported, the rate is the commercial rate plus 50 percent for bodily injury liability and the commercial rate for property damage. If over five employees are transported, the bodily injury rate is 50 percent of the bus rate, subject to a minimum of 150 percent of the commercial rate. The commercial rate is charged for property damage.

The rule for private passenger automobiles used by the owner to carry fellow employees to and from their place

(CONTINUED ON PAGE 30)

Justice Black in Move to Interpret 14th Amendment

Supreme Court Member Takes Stand in Connecticut General Case

Justice Hugo L. Black, appointee of President Roosevelt to the U. S. Supreme Court, launched an attack on present interpretation of the 14th, or "due process of law" amendment to the constitution in his first dissenting opinion since he assumed the bench, his action coming in an insurance case.

Shrugging aside in a few sentences whether Connecticut General Life should be taxed by California on reinsurance premiums, Justice Black said he believed the Supreme Court should override previous decisions interpreting the 14th amendment to apply to corporations as well as to "persons." In the amendment, only "persons" are specified, although by judicial interpretation for many years the constitutional right has been applied also to corporations. In previous decisions it was held that the intent of the framers of the constitution undoubtedly was to extend the provisions to corporations as well.

Black Stands Alone

The majority opinion, however, sustained the Connecticut General. The opinion, in the case of Connecticut General Life vs. Charles G. Johnson, state treasurer of California, held: "All that the appellant did in effecting the reinsurance was done without the state, and for its transaction no privilege or license by California was needful. The tax cannot be sustained either as laid on property, business done, or transactions carried on within the state, or as a tax on a privilege granted by the state."

Justice Stone delivered the majority opinion, which was concurred in by all the other justices save Black and Cardozo, who was not sitting. The majority included some considered more progressive in their tendencies.

The effect on insurance companies if Justice Black's recommendation should be adopted by the Supreme Court probably would be harmful. In this case the Connecticut General would not have had this recourse from the California supreme court and state court findings that the tax on reinsurance premiums was owed to the state.

This amendment has proved to be the final refuge for insurance companies hard pressed by arbitrary demands of public officials. It has guaranteed them an orderly, unbiased legal process away from the influence of local politics and the pressing need of lesser political subdivisions for new sources of revenue. Justice Black's proposal would close the federal courts to insurance companies as well as all corporations in such emergencies.

Briefly, in this case, the Connecticut General had reinsured life insurance policies written by another company on lives of California citizens. The reinsurance agreement, however, was executed in Hartford, Conn., and the reinsurance premiums were paid there. No step of the transaction ever had been carried out in California, other than that the premiums originally were collected by the issuing company in California.

The state courts in California had held in this and other cases previously that the 2.6 percent premium tax law applied not only on premiums payable in California, but also on those payable in Connecticut, and by inference, in any

Managing Director of Conservation Bureau



JULIEN H. HARVEY, New York City

Julien H. Harvey, executive vice-president of the Greater New York Safety Council, who becomes managing director of the National Conservation Bureau allied with the Association of Casualty & Surety Executives, has had a wide experience in safety work. Under his direction the Greater New York Safety Council assumed a vital position in the leadership of organized safety enterprises, not only in the city itself but in the entire metropolitan area including lower New York state, New Jersey, Connecticut and eastern Pennsylvania.

other state. This was sustained by the California supreme court. The theory on which such opinions were founded was that the 1935 California insurance code did not specify that reinsurance was different from other insurance, and therefore the Connecticut General's California license authorized it as well to do a reinsurance business. The case was taken to the U. S. Supreme Court on the constitutional point.

Jameson Is Appointed Fidelity-Surety Head

NEW YORK—E. C. Jameson has been appointed in charge of the fidelity and surety division of the United States branch of the Accident & Casualty of Switzerland. He has had extended experience in suretyship. After serving for some time with the American Surety, he went to the head office of the Indemnity of North America at Philadelphia in 1920. Later he was advanced to vice-president in charge of the fidelity and surety division. Neal Bassett is United States manager of the Accident & Casualty.

Seek Ohio Law Clarification

COLUMBUS, O.—Insurance men who supported passage of the motorists' financial responsibility law and the state drivers' license law are awaiting a ruling from the attorney general on conflicting sections of these two measures, following passage by the Ohio house of a resolution sponsored by Representative Marlow of Toledo, which asks for such a ruling. This action followed revelations that drivers whose licenses had been suspended under the provisions of law were obtaining driving privileges again by putting up the required \$11,000 in liability bond or insurance under provisions of the other measure. Previous attempts by insurance men to get a clarified ruling by the attorney general had not been successful, but a decision is expected soon. About 700 drivers whose licenses had been revoked are alleged to have "bought back" driving privileges.

Several Named in Pacific Mutual Case Fight Removal

Case of S. K. Rindge Is Closed—Hearing Is Continued Until

Feb. 8

LOS ANGELES—The initial battle in the suit of the United States against 14 former officials of the old Pacific Mutual Life, charging them with conspiracy to use the mails to defraud and with defrauding policyholders, stockholders and creditors, has been going on here before U. S. Commissioner Head since Jan. 27. The hearings have now been continued until Feb. 8.

Director S. K. Rindge is the sole accused who, up to this time has challenged the right of removal, and with the exception of a half hour spent in hearing character witnesses was on the stand all the time. His counsel sought to show the government has no cause for trial and of his unlawfully being restrained of his liberty.

In all probability former President George I. Cochran and former Executive Vice-president W. H. Davis will follow the lead of Mr. Rindge.

Waive Removal Rights

At the opening of the hearing Vice-president Douglas E. C. Moore, Vice-president Wesley C. Green, Treasurer Howard S. Dudley, Directors A. D. Grant and Ben R. Meyer, Chief Accountant Ben A. Hilliard, Secretary S. F. McClung, Roy S. Hoagland, Oakland manager, and Claim Adjuster J. Beach Rhodes waived their removal rights and agreed to appear for trial at Phoenix. Bail was cut in half for each.

Actuary Alfred G. Hann previously had taken such action.

President George I. Cochran, through his counsel, Harold Judson, simply said he had no evidence to offer at that time, leaving the case open for a decision later.

Rest the Government Case

Executive Vice-president W. H. Davis entered objection to the reading of the indictment into the record until his counsel, J. E. Boland, of San Francisco, had opportunity to examine it.

Special Assistant U. S. Attorneys General McGrath and Foster rested the government case with presentation of the indictment.

Director Samuel K. Rindge refused to waive rights of removal and began his battle to prevent his trial at Phoenix. He took the stand and T. B. Cosgrove of his counsel led him through a long identification examination relative to persons named in the indictment as defendants or witnesses or borrowers from the company. His direct testimony denied any conspiracy or fraud or having deposited letters or documents in the U. S. mails, or making any false entries on the books of the company; denied knowledge of any falsification of the company's financial statement or that dividends to stockholders had been paid from capital rather than from profits. He declared he had received, aside from the \$20 to \$40 fee for attending directors meetings, no remuneration from the company other than \$11,300 as salary as a member of the examining committee of the board. He admitted the Seaside Investment Co., the Long Beach Bathhouse & Amusement Co. and the Artesian Water Co., in all of which he was a director and officer, had borrowed money from Pacific Mutual, as had his mother, brother and sister. He testified he owns 4,116 shares of stock off Pacific Mutual which cost him \$94,611. He gave details of the loans to the three companies, stating the Seaside loan was foreclosed and that as of the date of seizure by Commissioner Carpenter both the other loans were in good standing and had been materially reduced. He testified the company during three years had contributed \$483,991 to the employees

(CONTINUED ON PAGE 32)

Occupational Rating Plan Gets Another Airing

Palmer of Illinois, However, Indicates He Stands Firm in His Objections

By LEVERING CARTWRIGHT

SPRINGFIELD, ILL.—At the conclusion of the "formal" hearing Tuesday before the Illinois department regarding so-called occupational rating of auto p. l. and p. d. risks, it was obvious that Insurance Director Palmer is not disposed to alter his ruling that the scheme is discriminatory under the new Illinois law. At least he has not changed his opinion insofar as the General Accident's arrangement is concerned. The entire day was consumed by consideration of that company's plan.

About 40 representatives of non-bureau companies attended the hearing which was conducted in the rooms of the pardon and parole board. So far 69 different plans for rating p. l. and p. d. risks have been filed in Illinois and 90 plans for rating all types of automobile covers.

Bombardment of Questions

Attorney John A. Bloomington of Chicago and C. L. Brearly, automobile superintendent at the head office, presented the case for General Accident. They were subjected to a bombardment of questions throughout the day from Assistant Attorney-general Harris and a battery of department men, all of whom apparently hold little respect for occupational rating. In addition to Insurance Director Palmer, the interrogation was conducted by Ray Nelson, deputy commissioner, and H. A. Miller. Also seated with the inquisitors were Frank Young, George Haas, and Hiram McCullough of the department.

Requested Formal Hearing

General Accident had requested that the "formal" hearing be held. If the matter is to be reviewed by the courts, such a hearing must first be held. A hearing last December was designated as "informal."

Under the General Accident plan, those employed in some 24 specified occupational classifications who do not use their cars in business, may purchase auto p. l. and p. d. for 20 percent less than the National Bureau scale. They are designated as class A risks. Those in class B must pay the conference rates.

An important part of the questioning by Mr. Palmer and his associates was in an attempt to establish that a good many risks do not fall into class A because their employment does not fall in any one of the 24 classifications, and yet they may be just as good citizens and present no greater hazards than class A risks.

Status of Two Janitors

Inasmuch as hotels are not one of the 24 named occupational classifications, Mr. Palmer brought out and made much of the fact that a janitor for a hotel would have to pay the class B rate, while a janitor for a public utility concern would be entitled to the discount.

Mr. Bloomington argued that the 24 classifications are sufficiently generic to embrace practically every type of employment and that in practice any one who uses his car for pleasure only and is not a student or does not fall into some prohibited class, can get the discount. Mr. Palmer argued that if this is true, the company is not complying literally with its rate filing.

At one point during the day, the inquisitors began firing at Mr. Bloomington

(CONTINUED ON PAGE 47)

Malicious Glass Breakage Down for '37, Bureau Reports

**Recent "Protection" Racket
Outbreak, However, Noted by
Manager J. W. Marden**

NEW YORK—Except for a recent recurrence of window-smashing by "protection service" racketeers, malicious damage to plate glass has dropped markedly in the last year, J. W. Marden, general manager New York Plate Glass Service Bureau, stated in his report to the annual meeting. The bureau is a branch of the National Bureau of Casualty & Surety Underwriters.

Mr. Marden also reported that his bureau handled 81,512 surveys, inspections, and losses in 1937 at an average cost of 60.3 cents. Of this number 47,582 were surveys, 17,412 were inspections and 16,516 were claims. The total was 5,208 less than the previous year.

File Covers 269,918 Risks

The bureau now has rate cards and schedules on file covering 269,918 risks. Through its very complete system of records, the bureau has been able to rate practically all risks submitted to it for surveys, thus reducing the expenses of rehandling risks which would otherwise be shopped around for competitive rates. The bureau's system for interchange of information on doubtful risks has also proven valuable.

Mr. Marden stated that he has considered taking up with the district attor-

ney the malicious breakage of glass by "protection services" although it is usually difficult to get the insured to testify, since the victim frequently prefers to pay the \$1 a month or so demanded by the racketeers.

Bragg Re-elected Chairman

F. H. Bragg, superintendent of the Eagle Indemnity's glass department, was re-elected chairman of the bureau's supervising committee and the Standard Surety & Casualty and United States Casualty were elected to succeed the General Accident and the New York Casualty. The supervising committee is a rotating committee on which each company elected serves for three years.

San Francisco Safety Move

SAN FRANCISCO—On call of the safety committee of the Insurance Brokers Exchange of San Francisco, city officials and leaders in the safety movement here met to form the nucleus of a new organization which will assist in accident prevention programs and aid in coordinating the efforts of various safety groups. Following a study of more than two years, the exchange voted to take some definite action in an effort to bring down San Francisco's toll.

Capt. Ray Ashworth of the Evanston, Ill., police department, expert in police surveys, who was sent to San Francisco to study the local problem preliminary to establishing accident prevention in the police department, was principal speaker.

Get a copy of the 1938 Survey Edition of The Accident & Health Review by subscribing now. \$2 a year. 175 W. Jackson Blvd., Chicago.

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DECEMBER 31st, 1937

CAPITAL	\$ 2,000,000.00
Surplus	3,028,762.81
Voluntary Catastrophe Reserve..	500,000.00
Reserve for Losses.....	4,358,549.45
All Other Liabilities.....	1,992,463.60
TOTAL ADMITTED ASSETS	11,879,775.86

NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY
Re-insurance

Safe Driving Awards to Hartford Accident's Men

**Plaques Will Be Given to Staff
Field People Who Make the
Grade**

During 1937 the Hartford Accident & Indemnity conducted a safe driving contest in connection with its own fleet of automobiles operated by members of its service departments in the field. The various offices were placed in one of four groups depending upon the number of cars used in each office and the accident frequency of the territory covered. The winners have been announced as: In Group 1, office at Abilene, Tex.; in Group 2, service office at Columbus, O.; in Group 3, branch office at Kansas City, Mo.; in Group 4, branch office at Pittsburgh. Plaques, which will be suitably inscribed, will remain in possession of the winning offices for a year and if won three times will be retained permanently. The contest will be continued during 1938, which marks the silver anniversary of the Hartford Accident.

Winners in the Contest

The winner of the award in Abilene, Tex., is K. R. Welsh, engineer. He operated his car a total of 42,148 miles with no chargeable accidents.

The contestants in the Columbus service office were L. S. Jones, special agent; C. C. Laffer, special agent; M. W. Schryver, claim representative; W. C. Smith, special agent; L. B. Strange, engineer. These individuals operated their cars a total of 153,389 miles or an average of 30,678 miles per car and were not involved in any accidents.

In Kansas City the following men competed: U. A. Schick, special agent; W. H. Newhard, engineer; A. A. Hansen, engineer; D. L. Cameron, engineer; W. L. Calhoun, auditor; W. Fuller, Jr., claim representative; J. H. Kolbus, claim representative. These seven men operated their cars a total of 161,269 miles or an average of 23,038 miles per car with no chargeable accidents.

Winners at Pittsburgh

The Pittsburgh winners were: V. G. Brown, special agent; V. H. Olson, special agent; Francis Sweeney, special agent; E. J. Coyne, claim representative; P. G. Briggs, claim representative; W. B. Kloppenburgh, claim representative; E. C. Kline, claim representative; C. R. Pillion, claim representative; G. C. Read, claim representative; F. D. Waddell, bond claim representative; J. P. Garrick, auditor; V. B. Hallberg, auditor; W. E. Dickson, engineer; E. K. McCarthy, engineer; W. G. Scott, engineer. In the case of this office 15 cars were driven a total of 314,577 miles or an average of 20,972 miles per car in a difficult driving area with no chargeable accidents.

Jones Chicago Claim Manager

The American States has opened a branch claim office in the Insurance Exchange, Chicago, under the supervision of W. H. Jones, who has been transferred from Terre Haute, Ind. Prior to this Mr. Jones handled claims at the home office. July of last year, when the American States opened a branch claim office in Terre Haute, it was put under his supervision. He distinguished himself as a capable manager and was transferred to Chicago a short time ago. Mr. Jones was formerly an adjuster for Whitney & Miller, joining the firm in 1929. Following his graduation from the University of Illinois, he sold stock for a large investment firm in Chicago. The branch office, connected in no way with underwriting, will be devoted exclusively to the handling of all claims in the Chicago area. The American States has considerably increased its business in that district and the new claim office is felt to be a necessity.

Traffic Deaths Reach All Time High in Last Year

**National Safety Council Estimates
Total Carelessness Bill at
\$3,700,000,000 in U. S. Alone**

Accident dead totaled 106,000 last year, permanently injured 375,000, temporarily injured 9,400,000, the National Safety Council announced. Estimated cost was \$3,700,000,000. The figures are for United States experience only.

The total accidents represented decrease from 110,248 in 1936, or 4 percent drop; traffic, increase to 39,700 from 38,089, or 4 percent; home accidents 32,000 against 37,500, decrease 15 percent; occupational 19,000, against 18,000, increase 6 percent; public (non-traffic) 19,000, against 20,000, decrease 5 percent. The total eliminates duplication of 3,700 occupational-traffic deaths.

The 4 percent reduction in deaths was due almost entirely to a mild summer which reduced heat deaths approximately 4,500, more than offsetting 1,600 rise in traffic deaths to a new all-time high, and 1,000 increase in occupational fatalities. The death total, however, was greater than in any year prior to 1936.

Increases in traffic and occupational deaths were believed due in part to advances in motor travel and employment.

Falls Important Cause

Falls caused more accidental deaths than any one other cause except traffic accidents, approximately 26,000 deaths in 1937. Fatal burns killed 8,000, drownings 7,000, railroad accidents (not motor vehicle) 4,000, firearms 3,000, gas poison 2,000, other poisons 2,000 and miscellaneous causes 15,000.

The 1937 all-accidental death rate per 100,000 population was 82, which is below the 1936 all-time high rate of 85.8, but higher than any other year since 1917.

The child accident death rate dropped sharply. Total deaths of children under 15 years of age fell from 16,200 in 1936 to 15,000 in 1937—13 percent. Adult accidental deaths decreased 3 percent, from 94,000 in 1936 to 91,000 last year.

It is possible, Council statisticians said, that the year's death rate for the age group 5-14 years will prove to be the lowest since 1922, when final figures are available. The reduction over this 15-year period is estimated at 25 percent.

Total Cost Figures

The nation's bill of \$3,700,000,000 is charged largely to wage loss and medical expense, which totaled \$2,550,000,000. Property damage was estimated to be \$870,000,000 in traffic accidents and \$285,000,000 in fires. Cost of 1936 accidents was \$3,750,000,000—1 percent over 1937 figure.

An all-time high of 39,700 traffic deaths was reached. There was, however, general improvement in traffic accident rates in the last half year. Cost of traffic accidents in 1937 was estimated to be \$1,740,000,000. The traffic deaths rose only 4 percent in 1937 while vehicle mileage was up 9 percent. The motor vehicle death rate on a mileage basis declined 4 percent from 16.6 per 100,000,000 miles in 1936 to 15.9 in 1937. Reduction since 1925 has been 20 percent.

In 1937, traffic death rate per 100,000 population was 30.7, compared to 29.7 in 1936, 62 percent higher than 1925 and 30 percent higher than 1933.

Some States Improve

Twenty states cut their death totals. All but one, on the basis of 10 months' information, did this in the face of increased highway travel. These 20 states had 6 percent fewer deaths than in 1936 and saved an aggregate of 650 lives. The remaining 28 states and District of Columbia showed 10 percent increase and were responsible for the national advance of 4 percent.

The 1937 urban death total represented
(CONTINUED ON PAGE 31)

EMPLOYERS REINSURANCE CORPORATION

Condensed Statement as of December 31, 1937

ASSETS

CASH IN BANKS AND ON HAND	\$ 2,216,146.10
BONDS, AMORTIZED VALUE	
United States Government	\$ 4,657,172.51
Canadian Government (Statutory Deposit in Canada)	194,303.17
State, County, Municipal	4,903,212.80
Railroad	181,797.18
Public Utility	140,385.94
Industrial	121,814.53
TOTAL BONDS	\$10,198,686.13
STOCKS, MARKET VALUE	1,388,062.00
TOTAL BONDS AND STOCKS	11,586,748.13
MORTGAGE LOANS	660,790.86
REAL ESTATE	142,220.00
PREMIUMS IN COURSE OF COLLECTION (Under 90 Days)	530,581.24
INTEREST ACCRUED	105,865.06
TOTAL ADMITTED ASSETS	\$15,242,351.39

LIABILITIES

LOSS RESERVE: Liability and Compensation (Schedule "P" Basis)	\$ 5,161,189.27
LOSS RESERVE: Other Classes, Including Investigation Expense	572,767.94
TOTAL LOSS RESERVE	\$ 5,733,957.21
RESERVE FOR UNEARNED PREMIUMS	3,851,701.92
COMMISSION ACCRUED ON PREMIUMS	217,074.56
RESERVE FOR CONTINGENT COMMISSIONS	126,089.64
RESERVE FOR MISCELLANEOUS BILLS	10,000.00
RESERVE FOR STATE AND FEDERAL TAXES	201,983.47
AMOUNT HELD FOR REINSURANCE COMPANY	392,401.87
VOLUNTARY SPECIAL RESERVE	709,142.72
CAPITAL	1,500,000.00
SURPLUS	2,500,000.00
TOTAL	\$15,242,351.39

On the basis of December 31, 1937, market quotations for all bonds and stocks owned, the total admitted assets would be increased to \$15,546,023.06 and the Voluntary Special Reserve to \$1,012,814.39.

Securities carried at \$1,138,788.32 in the above statement are deposited for purposes required by law.

OFFICERS

E. G. TRIMBLE	President
HOWARD FLAGG	Executive Vice-President
J. B. ROBERTSON	Vice-President and General Counsel
FRANK P. PROPER	Vice-President
JAMES W. SMITH	Vice-President
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SURETY

New York Rule Abolished

Board of Estimate No Longer Requires Performance Bonds on City Works

NEW YORK.—By majority vote, members of the board of estimate decided to abolish the rule regarding the furnishing of performance bonds on all city construction work. A public hearing on the question was to have been held, but when several surety underwriters attempted to speak in opposition, they were ruled out of order and action recommended by a special committee was adopted in record-breaking time.

An editorial dealing with construction bonds appearing in a recent issue of the "Engineering News-Record" pointed out that "only the support of the corporate surety system made it possible to undertake large and difficult works of construction as day-to-day affairs rather than as rare and infrequent ventures. In the earlier days any major enterprise involving difficulties and hazards could not be faced by the individual contractor unless his own resources and the faith and support of his friends were so great as to enable him to take the risk."

"Since few great construction operations are without an element of risk that may turn the best construction plan and the most experienced and careful foresight into failure, it is plain that the business could make but indifferent progress until a system was devised by which the risk could be carried in a sound, businesslike way. The corporate surety system does just this and, correspondingly, it has aided the progress of engineering."

Public Official Bond Suit Involves \$1,800,000

Surety people are much interested in the legal action brought by a group of depositors of the defunct Ayers National Bank of Jacksonville, Ill., seeking to recover an uncertain amount, which may possibly be as much as \$1,800,000 from some 20 sureties that were on the bonds of the present state auditor and his predecessor.

The suits, one of which is in the federal district court at Springfield and the other in the Sangamon county circuit court, challenge the constitutionality of the state law which permits banks to hypothecate securities as collateral for deposits of the state government. The bonds of the state auditors are in the amounts of \$1,000,000. Roy E. Adair, receiver of the bank, is the named defendant. This is an important issue and will certainly be contested to the utmost if the plaintiffs should prevail in the lower court.

Trace Belleville Defalcations

BELLEVILLE, ILL. — Interested surety companies are endeavoring to trace assets removed from the closed Belleville Bank & Trust Company by George E. Wuller, its cashier. Unofficial estimates of the shortage in the cashier's accounts range from \$109,500 to \$150,000. He is also said to have confessed that there is a shortage of \$26,000 in a \$100,000 estate for which he was trustee. Investigators for the Aetna Casualty, with which Wuller was bonded for \$100,000 as trustee for the estate, discovered the shortage in the estate account when they started an investigation after the bank closed Jan. 27.

Columbia Casualty had the bank's blanket bond through the Hoppe agency. T. W. Magnuson, agency supervisor in Chicago, is in Belleville to investigate.

Fred C. Best of Milwaukee has been elected a director of the Northwestern National to succeed Grant Fitch, resigned.

Nominate Moloney President

Hartford Accident & Indemnity Vice-president in the West to Head the Illinois Insurance Federation

G. H. Moloney of Chicago, vice-president of the Hartford Accident & Indemnity in charge of its western department, has been put in nomination for president of the Illinois Insurance Federation, which will hold its annual dinner and meeting Feb. 28. Mr. Moloney is one of the strongest casualty and surety men in the west. The nominating committee consists of W. O. Schilling, U. S. Fidelity & Guaranty, chairman; W. Herbert Stewart of Stewart, Keator, Kessberger & Lederer; Gail Read, Chicago broker; J. W. White, manager Travelers, and W. P. Robertson, general manager North America, all of Chicago. H. N. Douglas, manager New Amsterdam Casualty, is chairman of the committee on arrangements for the annual meeting.

LATE FIRE NEWS

Honor Emes on 40th Year

NEW YORK—Comptroller W. H. Emes was honored on the 40th anniversary of his connection with the America Fore group and was presented a handsome desk clock and barometer by President B. M. Culver. He began as office boy for the Continental.

Honor Weller in 35th Year

NEW YORK—The 35th anniversary of Secretary Charles Weller's connection with the North British & Mercantile group Feb. 1 was the occasion of a get-together gathering by his associates, who presented him a wrist watch. The presentation was made by United States Manager C. F. Shallcross. Mr. Weller began as an office boy with the North British advancing through various office and field posts to secretary of the brokerage and service department for the entire country. He is chairman of the advisory committee of the Interstate Underwriters Board.

Ohio Pond's "Pin Feathers"

"Pin Feathers" is the title of the new house organ of the Ohio Blue Goose. A. S. Snow, state agent Camden, is editor, and chairman of the educational committee. Page size is about six inches wide by nine inches deep. It is anticipated that the publication will grow in importance in view of the grand nest convention in Cincinnati in 1939.

The February meeting of the pond will be held Feb. 7 at the Hotel Hollenden, Cleveland, with the Western Reserve puddle as host. A business meeting, initiation, and dinner will be held.

Reilly N. J. Commissioner

Louis A. Reilly has been appointed New Jersey commissioner in succession to C. K. Withers, resigned to become president of a Newark bank.

Security Group Promotions

P. J. Berry has been elected executive vice-president and J. M. Kingsley assistant treasurer of the Security of New Haven, East & West and Connecticut Indemnity.

The Security Fire of Iowa is planning to withdraw from California as all its policies in the state have either expired or have been cancelled.

THEATRE LIABILITY INSURANCE

We are seeking direct contract with large casualty company to write Theatre Liability at reduced rates in Middle West. Contingent commission agreeable.

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you buy
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If you are looking for good, sound sales ideas, short cuts to new and better business, and news of the latest developments in insurance, read *The Employers' Pioneer*—an interesting magazine published monthly by The Employers' Group. A copy of the current issue will be sent free at your request. Write to the Publicity Dept., 110 Milk St., Boston.

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campaign we are praising the agent's service to more than one million prospects each month. Prospects you want to sell. Men and women who have homes and children. Good, stable prospects for fire, automobile, accident, residence boiler, sports, jewelry, burglary and all the other types of insurance written by The Employers' Group.

The Employers' Group, comprising The Employers' Liability Assurance Corporation Ltd.—the world's pioneer in liability insurance—The Employers' Fire Insurance Company and the American Employers' Insurance Company writes practically all kinds of insurance except life, including fidelity and surety bonds.

THE Employers' Group

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25,000 Men and Women to help you
When you buy insurance from The Employers' Group you get the services of a world-wide organization. Ten thousand agents, hundreds of claim men, attorneys, doctors, engineers, inspectors. The Employers' Group—comprised of three sound stock companies, The Employers' Liability Assurance Corp. Ltd., the American Employers' Insurance Co. and The Employers' Fire Insurance Co.—practically all kinds of insurance except life, including fidelity and surety bonds.

The Employers' Group
110 MILK STREET, BOSTON, MASS.



IN 1913



"So the Old Hartford is starting a casualty company. Might be a good outfit to tie to."

In 1913 progressive agents read the news with interest. Here was a casualty company backed by a name already in its second century of service.

"Hartford Fire Insurance" meant—and means—sound management, prompt settlement of claims, fair dealing with agents, strong financial position.

This heritage appealed strongly to live-wire producers. Many of them were quick to "tie to" the new Hartford Accident and Indemnity Company and quick to start production as the Company's rapid growth testified.

From a premium income of \$59,000 in 1913, it is a far cry to a volume in excess of \$38,000,000 for 1937—a record of progress probably unequalled in the history of the casualty and surety business.



Hartford Accident and Indemnity Company

An affiliate of the Hartford Fire Insurance Company, with its more than a century and a quarter of service.

IN 1938

"What the Hartford Accident and Indemnity Company offers us in its silver anniversary year."

- ① A Company entered in and doing an active business in every state in the Union and in Canada and Hawaii.
- ② An organization writing all forms of casualty insurance and fidelity and surety bonds—associated with an institution writing all forms of fire, marine and inland marine insurance.
- ③ A financial structure that is the best possible guaranty of the permanency so essential to a company writing liability and surety business.
- ④ An enviable record through the vicissitudes of the quarter-century just completed.
- ⑤ A heritage of fair dealing from a parent organization that itself bears a proud record over a period of 127 years.
- ⑥ A Company that has developed its field services (production, claim, engineering, audit) to a degree that assures policyholders full value for their premium dollar wherever and whenever these services may be required.
- ⑦ A Western Union identification service that adds to the value of Hartford policies without adding to their cost.



Hartford Accident and Indemnity Company

of service to the public Hartford, Connecticut

NEWS OF CASUALTY COMPANIES

Aetna Life Group's Figures

Some of the Main Items in the Annual Statement—Gains Are Made in Chief Items

The Aetna Life assets are \$577,272,331, increase \$29,667,817. Its net surplus is \$18,326,607, as compared with \$18,266,430 a year ago. Its capital is \$15,000,000. The claims paid in the accident and liability department were \$10,042,426. The earnings in the stock department before charging off anything for depreciation in securities, but after adjusting for all expenses, profits and losses on real estate, were \$8,543,090. These earnings include the Aetna Life's share of the undistributed earnings of its affiliated companies amounting to \$1,842,206.

The premiums of the Aetna Life last year were \$107,855,004, increase \$2,212,736 and the Aetna Casualty & Surety \$31,290,653, increase \$4,677,662. The Automobile of Hartford, the fire company, had premiums \$12,506,550, increase \$1,220,813 and the Standard Fire premiums were \$2,044,277, increase \$219,134. The total premiums of the Aetna Life group were \$153,696,484, increase \$8,330,345.

The Aetna Casualty & Surety showed an underwriting profit of \$1,479,330, and net interest and rents were \$1,291,655. The unearned premium reserve increased from \$13,240,995 to \$15,222,624. The surplus increased from \$12,443,233 to \$14,075,487, and its assets increased from \$37,254,386 to \$51,954,077.

Massachusetts Bonding Has Profitable Year in 1937

Underwriting profits of the Massachusetts Bonding for 1937 amounted to \$688,411, according to the annual report of President T. J. Falvey. With net interest and rents earned and profits from sales of securities, total net earnings were \$1,483,691, equal to \$9.27 a share on the single class of stock. In 1936 the underwriting profit was \$186,132 and the total earnings amounted to \$7 a share.

Premiums earned in 1937 totaled \$14,705,681, increase \$583,021. New premiums written in 1937, after deducting cancellations and premiums on risks reinsured with other companies, totaled \$14,644,051, increase of \$383,908.

"While our claim reserves at the close of 1936 were ample," Mr. Falvey states, "as has been proved by the run-off of reserves as contrasted with payments throughout the year, we have as a further safeguard added to reserves, properly allocated, the sum of \$250,000. In addition, we have increased our contingency reserve by \$200,000, bringing that item up to \$700,000.

"After making all these adjustments, and after the payment of \$545,426 in dividends to stockholders, the surplus, over capital, reserves and all other liabilities, is \$2,512,137. If we should add the \$700,000 contingency reserve—no part of which is required for allocation to any liability—the surplus of the company, over capital and all liabilities, would be \$3,212,137."

Central Surety's Exhibit

The Central Surety of Kansas City in its new statement shows assets of \$6,252,435, of which \$864,389 is cash, \$3,676,641 bonds, \$1,711,340 being federal government and \$1,872,860 state and municipal. Its stock in the Central Surety Fire, which it owns, is carried at \$502,492. The premium reserve is \$1,531,699, liability and compensation reserve \$1,673,958, capital \$1,000,000, net surplus \$1,256,414. The premiums last year were \$4,191,819, increase \$422,679. Increase in cash and bond investments is \$686,537. Its assets gained \$723,285 and surplus \$177,754.

Travelers Figures Detailed

Some of the Important Items in the Annual Statements of the Companies in the Group

HARTFORD.—Assets of the Travelers companies reached a total of \$943,887,000 at the end of 1937, comparable with \$889,552,000 the year before.

The assets of the Travelers itself stood at \$914,463,947; Travelers Indemnity, \$26,437,820; Travelers Fire \$24,556,104; Charter Oak Fire, \$1,263,376.

The premium income of the companies amounted to \$200,013,307, and the total cash income, which includes investment income, \$237,556,169. The premium income was not only the greatest in aggregate that it has ever been, but is the greatest for each of the companies. While the effects of the business slump were not seen in the volume of premiums or in the amount of new life insurance written, it had its effect in other ways. In 1934, 1935 and 1936 there were decreases in the amount of loans outstanding against life policies, but during 1937 there was an increase of over \$3,000,000.

Surplus Is Increased

The unusually low security values of Dec. 31 and other contingencies reduced these special fluctuation reserves from \$15,617,099 to \$8,021,318 in the Travelers, from \$7,904,524 to \$6,654,688 in the Travelers Indemnity and from \$3,235,503 to \$2,309,362 in the Travelers Fire.

The surplus of the Travelers went from \$27,524,646 to \$28,057,816; Travelers Indemnity from \$6,909,966 to \$7,227,780; Travelers Fire from \$5,031,973 to \$5,514,303; the Charter Oak Fire from \$744,557 to \$759,769.

"The underwriting results for the year in all departments," said President Zacher, "showed a favorable experience due in a great measure to the greater activity in general business conditions which began in the fall of 1936 and continued until about October, 1937. During this period there was an improvement in investment conditions, but in the last three months there was a decided falling off of borrowings and an unwarranted drop in security prices. Again in a falling market sales were made to establish tax losses which had the effect of further depressing values.

Interest Rates Low

"Interest rates," he continued, "are still abnormally low and are likely to remain so until business improves and long time opportunities are undertaken with confidence. In the first nine months of the year real estate moved freely, enabling the Travelers to make sales, involving about \$6,000,000. Social security, real estate and other taxes added to the expenses of the year."

New life insurance on a paid basis last year amounted to \$773,686,225, as compared to \$607,917,276 in 1936, and brought the total life insurance in force up to \$4,689,517,899. Premiums received on life policies were \$113,205,690.

Other premium receipts of the Travelers were: accident, \$11,260,793; health, \$4,588,931; workmen's compensation, \$21,571,148; and bodily injury liability, \$25,448,066.

Large Benefits Paid

Premium receipts of the Travelers Indemnity came from the following lines: property damage liability and collision, \$5,867,435; steam boiler, \$1,156,223; bodily injury liability, \$788,996; burglary, \$2,422,285; plate glass, \$720,361; and machinery, \$224,689.

The Travelers Fire premiums were divided as follows: fire, \$8,938,159; automobile, \$2,667,585; and inland marine, \$1,152,940.

During the year \$98,549,579 was paid as benefits under various forms of life, casualty and fire policies. To distribute

this sum required the issuance of 1,067,700 checks and drafts.

During the past eight years the total amount paid to policyholders and beneficiaries has been \$840,903,557. This exceeds the amount that had been paid in the preceding 65 years of the company's history. Since organization of the Travelers in 1864 one and two-thirds billions of dollars have been paid out as policy benefits.

For inspection service during 1937 the companies paid out \$2,044,896. Through the inspection department a vast amount of safety and fire prevention work has been done in industrial plants and automobile fleet risks that are insured by the companies.

American Automobile Group Makes Growth in Year

Premium income of the American Automobile companies increased more than \$2,500,000 last year and underwriting gain was more than \$750,000, the financial statement shows. Total premium was \$15,819,555. The figures show assets \$19,155,032, policyholders surplus \$7,305,634. The assets include \$8,806,690 government bonds and accrued interest thereon; \$5,862,200 corporation stocks, \$873,418 book value only of the wholly owned subsidiary, American Automobile Fire stock held; cash \$1,793,906, premiums in collection less than 90 days \$1,818,815. No real estate or real estate mortgages were owned and the portfolio was in liquid condition.

Liabilities included reserves for claims \$4,649,439, and reserves for unearned premium \$6,189,958. Net surplus was \$5,305,654 and capital \$2,000,000.

Deficit Is About \$18,000

According to the Iowa department, the Standard Mutual Automobile of Council Bluffs, now in receivership, is impaired to the extent of about \$18,000. About \$4,000 of the alleged deficit is attributed to the new law in Iowa compelling mutual companies to put up reserves for unearned premiums.

Leo Ritchie, secretary of Standard Mutual Automobile, declared that following the institution of the receivership proceedings, more than half of the assured canceled their policies. Premium income had been in the neighborhood of \$60,000 a year. Hugh Finerty, Council Bluffs attorney for the receiver, announced that \$21,000 of claims had been filed against the Standard Mutual Automobile and the association had but \$17 in the bank. The concern had written a good deal of business for which there was no other market. It had particularly bad experience on liability for WPA truck drivers.

The court authorized the receiver to levy an assessment up to 100 percent from policyholders.

Move to Cedar Rapids, Ia.

Ace Mutual and Directors Mutual, whose home offices have been in Des Moines, have been moved to Cedar Rapids. The companies are headed by Harrington Buck, president.

Ace Mutual writes a full line of automobile insurance and Directors Mutual writes property insurance. The two companies write in Iowa exclusively and have some 600 agents.

Vernon L. Barta is vice-president, Harrison E. Spangler, legal counsel, both of Cedar Rapids, and George A. Spooner, secretary, of Des Moines.

The two companies are located in 407 Iowa Theatre building, Cedar Rapids.

Standard Accident Year

The Standard Accident's financial statement shows 1937 premium volume was \$16,444,807, increase 10.1 percent. Underwriting results were better than at any other similar period in the company's 54 years' history. Underwriting profit was \$1,272,414, compared to \$362,719 in 1936. Investment income was substantially in excess of that for 1936, but investment valuations showed depreciation in keeping with trend of the se-

curities market. The Standard added to its reserve for change in security valuations, making the total reserved for that purpose \$650,000, and placing surplus to policyholders on actual market basis. Total surplus Dec. 31 was \$3,407,958, divided capital \$1,395,100, surplus \$2,012,858. During the year the Standard retired 6,158 shares of preferred stock with a redemption value of \$461,850.

New Amsterdam Casualty Report

The New Amsterdam Casualty reports premiums last year \$14,231,320, total income \$15,011,177, loss and claim expense \$8,360,973, underwriting expense incurred \$5,522,034, total loss items \$13,838,308. The operating profit was \$1,128,170 and the dividends paid \$300,000, leaving \$828,170. The assets are \$24,477,038, premium reserve \$5,902,149, claim reserve \$10,511,442, contingency reserve \$1,731,075, capital \$1,000,000, net surplus \$4,000,000. There was a general improvement all along the line except the market prices of stocks and bonds. The book value has been written down to \$996,789. Its investment in the United States Casualty is \$1,529,668.

N. J. Manufacturers Dividend

The New Jersey Manufacturers Casualty has declared the regular dividend of 20 percent, plus an extra 5 percent on policies written in the second quarter of 1937 and expiring in April, May and June, 1938.

U. S. Casualty's Figures

The U. S. Casualty shows assets \$9,324,140, premium reserve \$2,395,134, claim reserve \$3,627,478, capital \$1,000,000, net surplus \$1,721,456, premiums \$6,421,720, increase 16 percent, operating profit \$394,905.

COMPANY NOTES

The American Casualty of Reading, Pa. is now arranging to write business in Virginia.

The Pennsylvania Casualty of Lancaster, Pa., has been licensed in Michigan. L. C. Pauley, Lincoln, Neb., business man, has been president of the Merchants Casualty, a mutual, and headquarters have been removed to Lincoln from Omaha. Company activities will remain in charge of W. M. Whelan and D. F. Whelan.

Appeal Taken in Illinois

An appeal has been filed before the Illinois appellate court in the case of F. B. Flasch Chimney Company, et al. vs. Builders & Manufacturers Mutual Casualty et al. from a decision of the Cook county superior court.

This action was instigated by a number of former employees of Builders & Manufacturers Mutual Casualty in an attempt to set aside the deal whereunder all of the business of that company was reinsured in a new stock company, Builders & Manufacturers Casualty. The relationship of the Harrison, Brewster agency of Chicago and the Builders & Manufacturers Mutual Casualty is involved in the action. The superior court dismissed the new stock company as a defendant, but left the case open insofar as the other parties were concerned.

Those behind the suit apparently are eager to have the stock company kept in the picture so far as the litigation is concerned, and hence the appeal.

Opens Rhode Island Office

The Employers Liability group is opening a Rhode Island service department Feb. 7, with Howard F. Cluff as manager. It will be located in the Turks Head building at Providence.

This office will service the business of the Employers group companies in Rhode Island. Mr. Cluff, as special agent, has been serving that territory for over 12 years.

Hobson, Christie & Co., Vancouver, B. C., this year celebrate their 40th anniversary.

WORKMEN'S COMPENSATION

Endorses Schedule Method

Most Sound Procedure in Legislating for Occupational Diseases, Says H. D. Sayer Before Cincinnati Group

CINCINNATI—Endorsement of the schedule method of legislating for occupational disease compensation was urged by H. D. Sayer, manager casualty department Association of Casualty & Surety Executives, in speaking before the annual convention of the National Crushed Stone Association in Cincinnati on "The Occupational Disease Problem in the Crushed Stone Industry."

"There is a great difference in the method of bringing occupational diseases under the law," Mr. Sayer said. "The intelligent, reasonable, effective way is to list in the law the diseases to be compensated, together with a general description of the work wherein the disease develops. This method, followed in many states and practically all foreign countries, is certain and sure. The worker knows in advance for what ills he may be compensated; the employer is apprised of the diseases for which he may be held responsible, and he may thus adopt reasonable safeguards against them."

The all-inclusive method does not mention any specific disease in the law, but makes compensable any and all diseases that arise out of and in the course of the employment, leaving it entirely to the fairness and good judgment of the local administrative officers, he said. "No definition of the term 'occupational disease' is given. The term is undefinable and therein lies most of the trouble. The best substitute for an undefinable general term is the specific listing of the diseases intended to be covered. When so-called all-inclusive occupational disease legislation is enacted," Mr. Sayer declared, "employers are made responsible for diseases not truly occupational."

Silicosis Hazard

Referring to silicosis as the most specific interest in the crushed stone industry, Mr. Sayer pointed out that when new legislation is enacted the problem of accrued liabilities is most serious. It arises by reason of the fact that when a law is enacted, many workers have already had several years exposure to the disease. Meanwhile, because there has been no law, industry has made no provision for setting aside funds for compensation. The most satisfactory method of solving the problem, Mr. Sayer indicated, was setting up a scale of limited benefits as has been done in New York, Michigan and Ohio.

Nebraska Bars Lay Adviser in Compensation Court

LINCOLN, NEB.—Attorney-general Hunter has undertaken to stamp out what he claims are the alleged practices of lay representatives of insurers and employers of "misrepresenting rights in the settlement of claims for injuries and over-reaching employees." He has given an opinion requested by Presiding Judge Coffey of the compensation court to the effect that it is unlawful for a person other than a licensed attorney to prepare pleadings for filing in that court; to prepare settlement agreements for filing in that court involving compensation claims; preparing for filing therein a release of claims for compensation benefits; conduct hearings before the court involving such benefits, and for a claim agent or an adjuster for an employer or an insurer to prepare a release to be signed by compensation claimant, even though the release is not filed in the compensation court.

Mr. Hunter says that injured workers have well-founded rights to prepare, file

and handle matters involving their own claims, and that it is the duty of the compensation court to protest against any attempts at unlawful practice before it and to call attention of the attorney-general to what has been done or attempted. Mr. Hunter said that it did not matter so far as illegality of conduct is concerned whether the court be regarded as an administrative tribunal or a judicial court. He says it is a court of record. Reports of decided cases show, he said, that workmen's rights have been sacrificed as a result of false advice and improper representation received from lay individuals and agencies "attempting to commercialize the workmen's compensation field."

Mortensen Advocates New Rate Making Procedure

Commissioner Mortensen of Wisconsin is advocating a change in the compensation rate making procedure for his state, which some of the companies interpret as meaning that he desires that

Wisconsin rates be based purely on the experience of Wisconsin industry. Mr. Mortensen states that some conferences are to be held on the proposal.

Mr. Mortensen's idea, as reported in the newspapers, is that the rates be based on a five-year accident experience in state industries.

Apparently Mr. Mortensen would have all classifications of industry in the state, regardless of how limited the exposure might be in certain classifications, stand on their own feet and not be related to the nation-wide experience.

Those familiar with the rate-making procedure say that it is impossible to get any kind of a valid rate for isolated industries in a state, based on the experience of those few enterprises alone. A single death case might send the rates skyrocketing, for instance.

Whether Mr. Mortensen advocates changing over to a five-year experience for all industries, including those that have a heavy concentration in Wisconsin, is not clear from what has appeared so far. If that were done, it might happen that some of the larger industries would get an increase in rate or less of a decrease than if the present system were followed. For the past two years the compensation experience has been exceptionally favorable. At present the rate revision in Wisconsin is based on

the latest two available policy years. If the five-year experience were employed, it would bring into the picture the experience of some of the less favorable years.

The rate making theory has not been followed to the letter in Wisconsin, because Mr. Mortensen for the past two or three years has insisted that a reduction greater than what the experience indicates be put into effect. For instance, at the time of the latest revision, the true decrease indicated was 4.3 percent. However, Mr. Mortensen insisted that there be a 10 percent reduction.

Compensation Changes Needed

M. J. Miller in Address Before Texas Association Urges Lower Cost and Legislation

DALLAS—The present workmen's compensation law needs amending, according to M. J. Miller of Fort Worth, in speaking before the Texas Association of Insurance Agents here. "It is too easy now for an unscrupulous employe with the aid of equally unscrupulous doctors and lawyers to put over an unjust claim," he said.

"Thousands of dollars are paid out on

INFANTRY

INFANTRY. This term was originally applied to a body of men collected by the Infante (heir apparent) of Spain for the purpose of rescuing his father from the Moors. The attempt being successful, the name was afterwards applied to foot-soldiers in general.—Sullivan.

Agents are the foot-soldiers of the Insurance Business: theirs the responsible task of rescuing the public from unprotected losses.

Bankers Indemnity Insurance Co.
Newark, New Jersey

• Casualty Affiliate of The American Group •

such claims every year in Texas and it is time that industry give thought to sponsoring legislation that will eliminate as many of these unjust claims as possible. Labor should join industry in its efforts because the honest employee will ultimately help pay the increased load," stated Mr. Miller. Among needed changes is a specific definition of an accident and the time limit for reporting them. There is no time limit now in actual practice as regards the employee, he pointed out. Another is the reopening of cases companies and employers regarded as settled and closed. Effort was made in this direction a few years ago but the bill was introduced in the legislative session late and died on the calendar. "We can start talking to our assureds about the rising cost of compensation insurance and in time, we will convince them that something should be done," he said.

"What about our immediate problem?" he asked. "The large compensation risk is saying that his cost is too

high. He is lending a more receptive ear to the mutual and reciprocal salesman who offers a reduction in the form of a dividend, to the participating stock company salesman and to self-insurance through some stock company, on a cost plus basis. What is the remedy? None has been invented but I am sure that our able representatives will find a solution. I hope that before too much time has elapsed compensation lines can be written as readily as fire, burglary or any other profitable line."

New New Jersey Bills

TRENTON, N. J.—Several additional compensation measures were introduced in the New Jersey legislature affecting workmen's compensation. One would make pneumoconiosis compensable, while another would regulate the proof necessary in hernia cases. The usual state fund measure has again been introduced.

home office as agency assistant. From there he became Cleveland manager. He was forced to retire on account of ill health in 1936.

Clarence P. Nichols, special agent central and southern Illinois for the Commercial and Metropolitan Casualty and secretary of newly organized Illinois Association of Casualty & Surety Field Men, feels his annual visit to the western department in Chicago each January is "ill fated." Last January he sustained a skull fracture when slugged by a bandit on an elevated station which disabled him for a number of weeks. After his recent trip he was quarantined with scarlet fever and will be confined indoors for six weeks.

John J. King, president of the Hooper-Holmes Bureau, visited San Francisco last week, accompanied by Mrs. King, en route to Honolulu for a one month's vacation. They sailed on the Matsonia Saturday. On their return from the

islands they will remain in San Francisco about 10 days before returning east.

The Vermont Accident has elected A. C. Mason, Jr., special agent of the Crum & Forster group, a vice-president and director. His father is secretary of the company and is also a well-known local agent. He will continue to represent the Crum & Forster group in the field.

E. C. Jessee, state agent at Charleston, W. Va., of the Washington National, died of pneumonia in a hospital there following an operation.

C. O. Flint, San Antonio, Tex., special agent of the Employers Liability, has a baby daughter, Yvonne.

H. E. Decker, assistant superintendent of agencies of the Standard Accident in Detroit, was married there to Miss Geneva Stork.

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PERSONALS

The Employers Mutual Liability and Employers Mutual Fire of Wausau, Wis., have just put out a book entitled "Safety Through Education." The two companies felt the need for a good text book and guide in safety for schools. They therefore instigated the preparation and publication of the book. It is purely an educational project and carries no advertising whatever except that the companies appear as the publishers. A charge is made of 25 cents per copy to cover postage and handling. The objectives listed in the lessons are clear and cover all phases of safety and the conservation of health.

Lew H. Webb, chief executive of Conkling, Price & Webb of Chicago, is in New York this week conferring with the United States management of the London Guarantee & Accident. Manager J. M. Haines returned this week from a trip to the head office in London. On his return to Chicago Mr. Webb will then go to Pasadena, Cal., for a stay with his family. His daughter, who has been a missionary in China, is with her mother there.

J. S. Sheppard of San Francisco, manager of the Phoenix Indemnity on the Pacific Coast, has left for Honolulu on a combined business and pleasure trip which will keep him from his office for about three weeks.

The government settled income tax disputes with Mike M. Moss, who was vice-president of the old Union Indemnity of New Orleans, when a default judgment of \$189 was entered for failure to appear and prosecute his appeal. The original amount from which Mr. Moss appealed was \$3,165. The government explained that a recomputation was made after notice of the deficiency had been sent to Mr. Moss to his ranch in Texas.

William Lysaght, who was manager of the casualty office of the Travelers at Cleveland up to the time of his retirement and who died recently in Providence, was well known in the organization. He joined the company in March, 1920, taking the home office training school course and was assigned to Manchester, N. H., as special agent. Later he was transferred to Worcester, Mass., in a similar capacity. He was made assistant manager at Detroit in 1923 and in 1924 manager at Montreal. He returned to Worcester as manager in 1927 and three years later was called to the

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ACCIDENT AND HEALTH

Attention Needed to Health of Industrial Life

The health problems of industrial life demand the best attention of the medical profession, and represent a field of activity in preventive medicine which has been more or less neglected. Dr. A. D. Lazenby, chief surgeon of the Maryland Casualty, declared in an address before the Atlanta Graduate Medical Assembly in Atlanta. Dr. Lazenby cited the work insurance companies are doing to raise the general level of industrial health.

Discussing human wear and tear in modern industry, Dr. Lazenby declared: "Disabling illness is 76 percent higher among unskilled labor, 40 percent higher among skilled labor, than in the so-called non-industrial group. The death rate among skilled labor is 24 percent higher, among semi-skilled labor 50 percent higher, and unskilled labor 116 percent higher, than in the non-industrial group."

B. M. A. Experience Better

Accident and health claim experience of the Business Men's Assurance in 1937, in spite of an epidemic of "flu" at the beginning of the year, was slightly better than for the previous year. The company has shown an improvement in its accident and health loss ratio every year since 1932. The ratio on a paid basis declined from 55.5 percent in 1936 to 54.3 percent in 1937; on an incurred basis, from 55.2 to 54.2, the lowest point since 1926. Accident and health premium income increased 4.8 per cent.

"We are definitely on the way toward a larger volume of accident and health business, and on a basis that promises a satisfactory experience," President W. T. Grant says.

Meadows Working on Coast

Roy M. Meadows, agency supervisor of the Continental Casualty's railroad department, has been working out of the Pacific Coast office in San Francisco for the past month. He expects to spend several months stimulating production and strengthening weak agency points in the nine western states.

The San Francisco office of the railroad department is under the management of J. C. Scharfen, who succeeded J. E. Betts in January, 1937, after Mr. Betts had served the Pacific Coast department for 35 years.

Organize Sunset Casualty

The American Underwriters Corporation of Olympia, Wash., holding company for the recently-organized Sunset Life, has secured a charter for the Sunset Casualty. Officers of the new company are the same as those of the Sun-

set Life. They are W. A. Eastman, chairman of the board; J. P. Neal, president; F. J. Englert, vice-president; F. M. Burt, secretary; E. W. Scott, treasurer; R. D. Williams, counsel.

The Sunset Casualty has capital of \$100,000 and surplus of \$25,000. For the present, it will write accident and health exclusively. Eugene Neuschwander is the company's actuary and F. J. Englert is superintendent of agencies.

Change in Lincoln Company

LINCOLN, NEB.—The insurance department has approved amended articles of incorporation of the Central Health of Lincoln, which includes a change of name to the Woodmen Central Health and the addition of the right to issue accident business. The accident underwriting will be cleared through the Woodmen Accident. The Woodmen Central Life is the third member of the group.

Trev Gillaspie, former postmaster, has been named president and general manager of the Waco Insurance Service, which represents the group. He continues as Lancaster county agency supervisor for all of the fleet.

Explains N. Y. Legislation

George W. Kemper, Fireman's Fund Indemnity, explained pending legislation in New York to members of the Accident & Health Managers Club of San Francisco at the luncheon meeting Feb. 2.

Perry Reliance Life Leader

Bert A. Perry, Corpus Christi, Tex., district manager of the Reliance Life, was the company's leading producer of accident and health insurance in 1937.

Illinois Total Corrected

In commenting on the North American Accident's last year's experience a typographical error occurred in the amount of accident and sickness claims paid in Illinois. The correct total is \$277,300 instead of \$977,300.

Clarke to Zurich

C. C. Clarke has resigned as regional group manager of the Sun Life of Canada in Chicago to become group superintendent with the Zurich.

Uncover Insurance Racket

With the arrest of Earl Mason of Easton, Pa., through an investigation made by the Pennsylvania insurance department one of the biggest "insurance rackets" ever imposed on unsuspecting residents of Warren, Hunterdon and other New Jersey counties close to the Pennsylvania state line, particularly near Easton, Pa., has been revealed.

Peter O'Brien, chief investigator of

the Pennsylvania insurance department, alleges that Mason had at least 190 agents working for him in the New Jersey counties and that they have turned over to Mason more than \$20,000 monthly.

The racket was carried on under the guise of the "Hartford Veterans' Club" but upon investigation, it is alleged by the authorities in Connecticut that no such organization is registered in that state.

To become a member of the club, tickets were sold at 50 cents each which entitled them to sick and death benefits. Claim payments will be made from the money seized by the Pennsylvania insurance department in its investigation.

Reports Record Increase

The accident and health department of the Wisconsin National Life, Oshkosh, Wis., which showed a 15.3 percent increase in volume and 27 percent in new business for 1937, went on to a new high in January, which was 72 percent ahead of the same month last year in new business.

A state meeting of Michigan agents of the Wisconsin National is being held in Lansing Thursday, in charge of M. S. Kirkpatrick, superintendent of agents for Michigan, in connection with a special campaign being carried on this month to honor Vice-president Arthur James, whose birthday is Feb. 5. G. A. L'Estrange, manager of the accident and health department, will represent the home office.

Approves Hospitalization Plan

HARRISBURG, PA.—Approval of the group hospitalization plan of the Union Hospital Service Association of Pittsburgh is announced by Commissioner Hunt. The plan is the second of its kind in Pittsburgh to be approved. The association was the only non-profit corporation in Pennsylvania organized for a group hospitalization plan prior to adoption of legislation regulating such insurance. Operation had been suspended pending approval by the insurance department.

Ferguson Assistant Secretary

At the annual meeting of the Great Northern Life, E. H. Ferguson, agency supervisor of the accident and health department, was elected an assistant secretary of the company. Mr. Ferguson is especially well known among accident and health men. He has served as president of the Chicago Accident & Health Association and executive secretary of the National Accident & Health Association. He has served as a member of the general committee in charge of Accident & Health Insurance Week ever since the organization of that committee.

Detroit Adjusters Elect

DETROIT—G. J. Cooper, chief adjuster Michigan Mutual Liability, was elected president of the Detroit Adjusters Club at its annual meeting. Leo J. Robb, American Automobile, was elected vice-president and R. H. Downey, Michigan Bell Telephone Company, succeeds B. C. Veau, Aetna Casualty, as secretary-treasurer.

L. J. Carey, counsel for the Michigan Mutual Liability, reviewed the recent Missouri decision that lay adjusters must not discuss settlement of claims with policyholders on the theory that such adjustments should be made by attorneys, nor may they so much as give an opinion on the liability to their own companies. This would work a tremendous hardship on nearly all classes of business, he pointed out.

John A. Lloyd Will Speak

John A. Lloyd, executive secretary-treasurer of the Ohio Association of Insurance Agents, will be the speaker at the annual meeting of the Cincinnati Casualty & Surety Association, Feb. 28, at which officers will be elected.

CHANGES IN CASUALTY FIELD

H. D. Sherwood Goes to Travelers Home Office

Homer D. Sherwood, formerly manager of casualty lines in the New Haven, Conn., branch of the Travelers, has been transferred to the home offices at Hartford, where he will serve as assistant supervisor of the agency field service department. In returning to this department at the home office, he goes back to the office he occupied before he was appointed a field manager a few years ago. A. K. Davis, casualty manager at Cincinnati, has been appointed casualty manager of the New Haven office, taking the position vacated by Mr. Sherwood.

Expands Atlanta Office

The Hardware Mutual Casualty of Stevens Point, Wis., has established a complete policy writing office in Atlanta, and has enlarged its Madison, Wis., office, established in 1930.

The Atlanta office employs 30 persons. The claims and sales departments, operated since 1931, are augmented by the addition of underwriting, accounting and policy writing units. A. N. Steinborg is manager.

The Madison office, with complete sales and claims department, will service 15 counties.

Whelehan Agency Superintendent

J. F. Whelehan has been appointed agency superintendent for Manhattan Mutual Automobile Casualty and Metropolitan Mutual Auto, which are now being operated under the same management. He has been with Manhattan Mutual since last July as field representative in New York state and he has been in the insurance business since 1912.

Joseph Burns' Field Enlarged

Joseph S. Burns, special agent in western Iowa for the Bituminous Casualty, has been transferred from the branch in Omaha, and this week will begin similar duties throughout the state. The transfer is occasioned by the resignation of R. M. Abel, who has been special agent for the eastern half of the state.

Gay & Taylor's New Branch

Gay & Taylor of Winston-Salem, N. C., investigators and adjusters for insurance companies, have opened an office at Charleston, S. C., at 56 Broad street under the management of H. A. Hunter, who will serve the southeastern portion of South Carolina and northeastern part of Georgia. This gives Gay & Taylor five offices having jurisdiction over North and South Carolina, southwestern part of Virginia and northeast Georgia. Other branch offices are at Charlotte, N. C., Greensboro, N. C., and Columbia, S. C.

Appointed Oklahoma Manager

KANSAS CITY, MO.—A. G. Smith has been appointed state manager for Oklahoma by the Central Surety with headquarters at Oklahoma City. Mr. Smith has been assisting in the agency department for the past year and was formerly located in Oklahoma for the National Surety. He succeeds Harold Strayer who died a short time ago.

Pofe Agency Is Appointed

Oscar Pofe & Co. of Chicago has been appointed general agent in Cook county, Ill., by the Commercial Standard, the agency having been resigned by the Independent Underwriters of Chicago, which formerly represented the company. O. L. Butler, manager of Independent Underwriters, has resigned and

gone with Pofe & Co. as outside representative. D. B. Earhart, one of the firm members of Independent Underwriters, is now the head. The Commercial Standard through Pofe & Co. will write long haul trucks, occupational rating of automobiles, workmen's compensation and occupational disease coverage.

Harold Janisch Resigns from Kemper Organization

Harold P. Janisch, vice-president of the Lumbermen's Mutual Casualty of Chicago and one of the important factors in the James S. Kemper organization, who suffered a nervous breakdown a number of months ago, has felt compelled to resign his position. He has been recuperating in a sanatorium in New York City but is now able to get about. Mr. Janisch resigned as vice-president of the Shawmut National Bank of Boston to take his position with the Lumbermen's Mutual Casualty. He was formerly manager of the American Mutual Alliance and was regarded as one of the brilliant men in the mutual ranks.

Name Two Assistant Secretaries

R. E. Sturges, formerly superintendent of the liability claim department, and F. G. Bradley, formerly superintendent of the contract bond department, have been elected assistant secretaries of Standard Accident.

Moore Is Casualty Head

R. N. Moore, underwriter of the Employers branch in Chicago, has resigned to go with the Massachusetts Bonding & Chicago branch in charge of the casualty department. In that connection he becomes associated with A. F. McCarthy, manager. Mr. Moore has been with the Employers about 10 years. He started with the Ocean Accident in Chicago in 1920, becoming an underwriter. In 1927 he went with the American Employers there as underwriter and also had field experience.

The Aetna Casualty has transferred M. F. Crumpacker, claims manager at Tacoma, Wash., to Los Angeles as a staff member of the southern California claims department.

Accident Fund Bill Up

LOUISVILLE — The Kentucky house has reported favorably and given first reading to a bill that would require all automobile operators to pay in \$2 annually to a fund out of which would be paid court judgments for personal injury and property damage cases caused by financially irresponsible motorists. No provision is made for exemption of those carrying liability or property damage insurance or those who are financially responsible.

Boiler & Machinery Men Elect

TORONTO—A. C. Hall, manager for Canada of the Ocean Accident, is retiring as chairman of the Canadian Boiler & Machinery Underwriters Association after four years' service, and is succeeded by J. P. Byrne, secretary of the Boiler Inspection & Insurance of Canada. Other officers have been reelected as follows: J. P. H. de Windt, manager boiler department National Bureau of Casualty & Surety Underwriters, New York, manager; J. C. Hill, Boiler Inspection, treasurer; Charles Haggard, assistant manager Ocean, auditor, and G. E. B. Wheeler, secretary.

Favors Compulsory Cover

MILWAUKEE—State laws regulating the financial responsibility of automobile owners have failed to reduce the

number of traffic accidents, and compulsory automobile liability insurance is necessary to relieve the economic burden they cause, S. O. Arnold, attorney, told the insurance section of the Milwaukee Bar Association. He said he would oppose state insurance but believed that a compulsory insurance act could be carried out without it.

"The chance an injured person has to collect damages from a negligent driver who is not insured is only one in four," said Mr. Arnold. "If insurance is carried, the victim has an 85 percent chance to collect. When a person is killed the chances are that if the driver at fault is not insured the victim's family will not obtain even enough to cover funeral expenses. Doctors, hospitals and merchants carry the load and are among the economic sufferers."

The Capitol Hospital Insurance Association has been incorporated at Columbus, O., by H. G. Johnson, Floyd E. Zimmerman and others.

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FORT WORTH, TEXAS

Manual Changes Outside of Merit Rating Are Made

(CONTINUED FROM PAGE 18)

of business remains the same, but is transferred from the private passenger section to the miscellaneous rule section. For risks of this type, the bodily injury liability premium is increased 50 percent, with no increase for the property damage rate.

Surcharge for I. C. C. Risks

An entirely new rule has been published for risks subject to the filing requirements of the interstate commerce commission and other state or federal administrative authorities regulating motor carriers of passengers or property. These administrative bodies require that the insurance filed to meet their requirements must cover all automobiles owned or hired by the assured. In connection with I. C. C. risks, the usual additional premium for this coverage has been a minimum of \$15 for bodily injury and \$9 for property damage liability. This had caused considerable complaint from assured who did not hire equipment and had no expectation of ever doing so.

The new rule provides that the additional charge shall be 5 percent of the premium for the highest rated automobile covered by the policy, subject to a maximum additional premium of \$15 for bodily injury liability and \$9 for property damage. If hired car exposure actually develops during the policy period, the rule provides that the actual hired car premium shall be charged, subject to a minimum of \$50 for bodily injury and \$9 for property damage liability coverage. This rule applies only to risks subject to state or federal requirements and does not apply to risks classified as public or private livery or taxicabs or to any risk in Connecticut, Louisiana, Maine, Maryland, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Rhode Island, Vermont and Virginia.

Guest Exclusion Dropped

The guest exclusion endorsement has been dropped from the manual. This had provided for discount from the bodily injury liability of 10 percent in some and 15 percent in other states for the exclusion of any liability of the assured for injury sustained by any person or persons while riding in or on, or entering or alighting from the insured automobile. Very little business had been written with this exclusion.

The new rules do not apply in the states for which new state rate sheets were not included.

The new manual also makes some changes in the rules for drive other cars, non-ownership, trailers and some classes of commercial trucking risks and transportation of fellow employees.

\$1,000 Combined P. L. & P. D.

A novelty in the new rules is a single limit policy covering both bodily injury and property damage, the limit being held to \$1,000. Such a policy received much discussion about a year ago as a possible offset to compulsory insurance or state insurance. The idea was that it would appeal to drivers who doubt the need of standard limits and increase the sale of auto liability insurance, and by giving at least medical and hospital expenses and small damages in cases where there is now no recompense to the injured, it might take the edge off the demand for state interference.

It was opposed by many insurance men from the start and last April the National Bureau announced that it would not be brought out unless some organized insurance group requested it. In the explanatory page included with the manual sheets, the National Bureau states that the agents' committee requested this policy during negotiations over the safe driver reward plan.

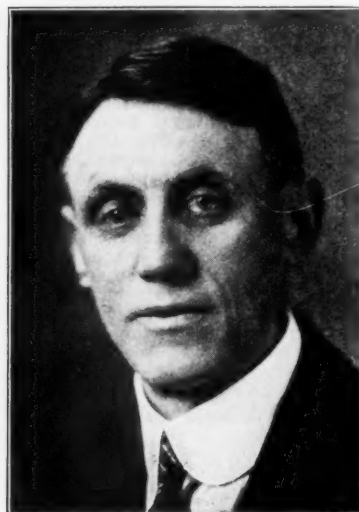
The \$1,000 limit applies to total li-

Two Officials of Same Age



H. G. ROYER

If you desire to know the age of H. G. Royer, president of the Great Northern Life, go to the records and find out the age of Secretary C. O. Pauley. They were born two days apart, Feb. 5 and Feb. 7, respectively, the same year. If you are seeking Mr. Pauley's age, ascertain that of Mr. Royer. They have both been in business 28 years. Twenty-four years ago Mr. Royer became president of the Central Business Men's of Chicago, which became the nucleus for the accident and health department of the



C. O. PAULEY

Great Northern Life. Sixteen years ago he became president of the Great Northern Life and the following year the two companies were combined. Mr. Pauley became secretary of the Central Business Men's in 1914, working with Mr. Royer, and in 1922 he was elected secretary of the Great Northern Life. They both make a mighty team. Speaking of ages, Mr. Royer was born at Ephrata, Pa., Feb. 5, 1879, and Mr. Pauley was born at Vinton, Ia., on Feb. 7 of the same year.

N. Y. Compensation Rating Board Holds Its Annual Meeting

(CONTINUED FROM PAGE 18)

inclusion of hospitals within the arbitration plan.

"In order to promote the efficient administration of claims, we have undertaken a survey to ascertain the facts relating to hearings and adjournments of compensation changes before the referees in the labor department and the industrial board. A thorough knowledge of the facts pertaining to the subject may serve to reduce the cost of assessments for this work in the labor department as well as in the claim departments of the insurance carriers."

Mr. Senior reported that the board in 1937 inspected 11,721 risks, reducing the cost per inspection from \$2.94 to \$2.75 as compared with 1936. In addition, 3,918 buildings were inspected under the wrecking plan at an average cost of \$1.22 per building as compared with \$1.30 for the previous year. The resulting premium amounted to \$872,426, an increase of 40 percent.

Should Explore Medical Side

In connection with medical and claim administration, Mr. Senior said that this field needs to be explored if the carriers are to reap the full benefits of the ratemaking procedure.

"It may well be that the extension of our interests in this new branch of work will have a salutary effect by way of improving the experience under workmen's compensation policies," he said.

He said that in 1937 1,093 claims were filed for arbitration of medical bills, 682 were heard and arbitrated, 213 settled prior to hearing, while 128 are pending. The total amount in dispute in cases arbitrated amounted to \$60,684. The awards in such cases amounted to \$33,812. Six cases involved charges of improper transfer. The charges were sustained in three cases. In only one

care did the arbitrators divide evenly, requiring reference to a fifth arbitrator.

Speaking on the new occupational disease schedule rating plan for foundries which was introduced July 1, Mr. Senior said that practically all insured foundries were inspected under this plan by the end of September. In connection with merit rates, he said that the board had determined such rates on 30,127 risks of which 1,938 were new cases and 308 came within the new occupational disease foundry plan. The board examined 296,624 policies and reviewed 1,409 cases for the purpose of deciding whether prior experience should be eliminated or whether combinations should be made for related entities. In 216 cases prior experience was excluded and in 346 combinations were effected.

Test audits of payrolls were made in 608 cases, 509 of which were made in a net increase in payroll of \$1,365,524 and an increase in premium of \$44,640.

Statistical Work Looms Large

The board's statistical work has increased in volume and importance. In addition to the audit and tabulation of schedule "Z" under the unit plan, research and studies went into the theory underlying retrospective and supplementary rating plans. The supplementary plan proposed by the mutual carriers is now pending before the insurance department. Rates for coverage against surcharges under both the retrospective and supplementary plans are still in process of discussion. Individual loss reports are now under review to determine excess costs and as a foundation for revising excess coverage rates. The work of schedule rating, experience rating, and test audits has been subjected to comprehensive analysis.

Following Mr. Senior's report committee reports reviewing the work of the year were submitted by S. L. Hanson, chief claim adjuster Liberty Mutual, for the medical and claims committee, G. H. Hipp, actuary State Fund, for the actuarial committee, and W. G. Lutz, chief underwriter Standard Accident, on behalf of the classification and rating committee.

Selecting Pure Premiums

Mr. Lutz discussed the present method of selecting pure premiums and raised the question whether too much weight is not being given to national experience in classifications where the New York data are limited, submitting concrete illustrations which had come before the classification and rating committee. Mr. Lutz also stressed the need for an early reformation of the store classifications so as more nearly to fit modern conditions.

Mr. Hipp dwelt on studies made on special funds in "no dependency" death cases. He pointed out that the "second injury" and "reopened case funds" are impaired and that the vocational rehabilitation fund had a surplus, but that its administrative expenses are out of proportion to the direct benefit for the workmen in training.

Mr. Hanson described the status of the minimum medical fee schedule for the upstate area, and the steps that have been taken for setting up machinery for the arbitration of bills submitted by doctors and hospitals for treatment and care of upstate workmen. He also pleaded for greater cooperation on the part of all carriers in connection with the various problems coming before the medical and claims committee.

Members of the governing committee include the Globe Indemnity, Liberty Mutual, State Insurance Fund, Standard Accident of Detroit and Utica Mutual, the last two being new members.

Ambulance Chasers Penalized

NEW YORK—Convicted of ambulance chasing, Dana Wallace, former district attorney of Queens county, with Abraham M. and H. Irwin Brownstein, with offices in Jamaica, were suspended from practicing law for one year by order of the appellate division of the New York supreme court.

The Truckers Insurance Corporation, Richmond, Va., has been incorporated to conduct a local agency there with F. H. Richards as president.

Traffic Deaths Reach All-Time High in Last Year

(CONTINUED FROM PAGE 20)

an advance of 32 percent since 1924, while rural traffic fatalities increased 180 percent in the same period.

Of 417 cities reporting to the National Safety Council for both 1936 and 1937, 173 showed reduction in 1937, 62 had no change and 182 had increases. Deaths in all cities over 500,000 population were 5 percent higher in 1937 than in 1936. Cities in the 250,000 to 500,000 group had a 3 percent cut.

Milwaukee Is Leader

Milwaukee, which in 1936 shared first place with New York for the lowest death rate in cities with more than 500,000 population, held undisputed top ranking for 1937 among such cities with a rate of 10.8 deaths per 100,000 population.

Minneapolis was first in cities of from 250,000 to 500,000 population with death rate 12.4; Memphis had 13; 100,000 to 250,000, New Bedford, Mass., 6.2; 50,000 to 100,000 Bayonne, N. J., 3.3; 25,000 to 50,000, Beverly, Mass., 0.0; 10,000 to 25,000, Gloucester, Mass., 0.0. Beverly, Mass., with 25,500 population, was the largest city in the country to have no traffic deaths in 1937.

Five of the 13 largest cities showed reductions in traffic deaths, Milwaukee, Boston, St. Louis, Pittsburgh and Detroit.

Fewer Children Killed

Child deaths from traffic dropped in 1937 after an increase in 1936. Among children under 5 there was 12 percent reduction. In the school-age group 5-14 there was 5 percent drop. In all age groups over 15 there was increase in deaths. The worst record was among persons over 65—11 percent increase.

Five hundred more pedestrians were killed in traffic accidents last year than in 1936. Non-pedestrian deaths increased almost 1,200. The pedestrian total for the year was 15,600, while 24,100 occupants of cars were killed. Compared with 1927, pedestrian deaths show 44 percent increase. Occupant deaths are up 61 percent.

Answers on Reward Plan of National Bureau

(CONTINUED FROM PAGE 17)

and must the experience rates apply to the private passenger cars? A. The entire fleet must be experience rated. The plan may not be applied to the private passenger cars, but the experience modifications must be applied instead.

25. Q. If a fleet of cars qualifies for special rating and is so rated may the plan be applied to such cars? A. No, the plan is applicable only to those private passenger cars that are written at full manual rates modified by any rating plan.

26. Q. Is the plan applicable to a fleet of private passenger cars written under the more cars than operators rule? A. No, it applies only when the car is insured on the specified car basis and a full premium is payable on each car.

27. Q. May the plan be applied to private passenger cars that are written on a fleet plan policy if the fleet reduction factor is not applied? A. No, the plan applies only to cars written on the specified car basis.

28. Q. If a risk consists of commercial and private passenger cars the latter being written under the plan may the commercial cars be written on a fleet plan policy? A. Yes, but the fleet reduction factor applicable to such commercial cars must be based only on the number of licensed commercial cars written under the fleet plan.

29. Q. An insured owns three cars which are written under the plan, one a "W" car, another an "X" and the third a "Y" and the policy also affords coverage for drive other cars. The insured

Goes Upward



ROLLIN M. CLARK

At the annual meeting of the Continental Casualty of Chicago this week, Rollin M. Clark who was formerly first deputy insurance superintendent in New York and who became assistant comptroller of the company last year, was elected comptroller and also a director. E. G. Timme, who has been comptroller for many years, is retiring from the insurance business. Mr. Clark is a lawyer and before going to the New York department he was insurance editor of the "United States Daily" of Washington, D. C. While with the New York department he was very active in the work and attained high rank.

is involved in an accident while driving a car not owned by him as a result of which a claim is incurred. How is the reward determined? A. Since the reward is not applicable according to the rule, in the case cited, to the premium for the highest rated private passenger car covered by the policy, even though this car was not involved in an accident, nor on the drive other cars premiums, the reward is payable on the two remaining cars provided no claim has been incurred on either of these cars during the policy term.

30. Q. Referring to question 29, assume that the insured has a second accident either while driving a car not owned by him or while he is driving his "X" car. Which cars are deprived of the reward? A. The "Y" car as well as the drive other cars premium as a result of the first accident, and the "X" car as a result of the second accident.

31. Q. Referring to question 29, assume that the insured also owns two trailers which are covered under the plan. The insured is operating the "W" car which is involved in an accident as a result of which a claim is incurred. To which premium is the reward not applicable? A. The reward is not applicable to the premium for the "W" car nor to the two trailer premiums, nor to the drive other cars premium.

Chicago Board Officers Reelected at Meeting

(CONTINUED FROM PAGE 5)

zation under the supervision of the insurance department. It means, he declared, that the board must now operate under entirely different conditions, but conditions which have existed in other states for a long time and under which insurance men have found it quite possible to prosper.

Among the matters touched on by Mr. Hayden were the abolition of the service charge on small fire policies, revision of membership rules, with interpretations as to what constitutes a bona

See Finish Fight Between London Lloyds, Carriers

American Companies' Illinois Suit to Void License Results in Marshaling Forces

The case of 17 casualty companies against the licensing of London Lloyds filed a week ago in Sangamon county circuit court at Springfield, Ill., will be fought out shortly on the charge that Insurance Director Palmer did not require maintenance in Illinois or in any other state of cash or securities comprising a statutory deposit such as is required of domestic companies by the Illinois department, equal at all times to the minimum of admitted assets required by the code for a domestic Lloyds doing the same kind of business; that deposits were not required of each of the underwriters in accordance with the code requirement, and that Mr. Palmer did not require filing of an authenticated copy of a trust agreement or other agreement under which the underwriters' deposits are to be held, executed by the underwriters or an authorized attorney-in-fact for London Lloyds.

Termed Discriminatory

The petition charges that issuance of the license was "discriminatory, unfair and prejudicial" to the petitioning companies, and asked that the license be voided and the court review the case.

The action is purely against the insurance department and does not obligate London Lloyds' representatives to make any reply. It is possible, however, that John S. Lord, Chicago, attorney-in-fact for London Lloyds, will seek to assist the attorney-general in the defense against the action, and he may prepare a brief and enter the case as amicus curiae.

Attorney-General Kerner has not yet filed a reply. He will be called upon to defend his two recent rulings in response to specific inquiries by Director Palmer, upon the strength of which the Lloyds license was issued Dec. 28. These rulings involve the questions of statutory deposit, limitations of risks and net retention, and reinsurance under the code provision. There being no specified provision in the code, Mr. Kerner ruled that London Lloyds' Illinois deposits were considered as "all and several" statutory deposits behind any contract issued by London Lloyds in Illinois.

Kerner's Interpretation

He held that the 10 percent limitation of risks in effect would limit London Lloyds' net retention on the basis of the present \$2,350,000 deposit to \$235,000 on a single risk, but Lloyds could write larger amounts, reinsuring in any authorized American carrier, or, if this were impossible, in a foreign carrier in sound condition, approved by the Illinois insurance director. He further ruled Lloyds could take credit for the reserve on such reinsurance.

These are the points which the plaintiff casualty companies probably will attack, since the rulings were arrived at by Attorney-General Kerner by a process of logic and reasoning rather than ordinary interpretation of statutory provisions.

Monopoly on Bankers

It is unlikely this action would halt London Lloyds' operations in Illinois for a long time to come, as this bids

fide office and a sole agency, reorganization of the patrolmen's pension fund and the assumption of jurisdiction over rates on public property. The revision of rates resulting from action by the insurance department Mr. Hayden stated will be effective March 1 and will include not only reductions in the dwelling class, but also adoption of a mercantile tariff.

fair to be a finish fight between American casualty-surety companies and the foreign underwriters. This warfare has been brewing for many years, centering mainly around London Lloyds' acquisition of virtually a monopoly in Illinois on bankers' blanket bond business and dominance in that line elsewhere.

Although, due to a stop order from London headquarters by cable recently, new business is not now being written in Illinois, London Lloyds may start to write at any time. No explanation of the action was given. It seemed unnecessary to Lloyds' representatives to stop writing just when, after months of waiting, a license had been issued. Arrangements to handle the reinsurance are being made in London and the plan soon will be announced.

Attorneys representing the petitioners are Gillespie, Burke & Gillespie, including George B. Gillespie, Edmund Burke and Louis F. Gillespie of Springfield; Benjamin S. Adamowski of Chicago, representative in the Illinois legislature and insurance committee leader, and Senator Thomas E. Keane, Chicago, chairman of the senate insurance committee.

Stir at Kansas City Over Safe Driver Reward

(CONTINUED FROM PAGE 17)

of their stand in the reward matter prior to the meeting, so that the letter embodies the opinions of all executive committee members.

The executive committees of both the Kansas and the Missouri associations of insurance agents also met in Kansas City Monday, and outlined reports to their members which expressed substantially the same "anti" sentiment as the National Casualty & Surety Agents Association report.

A unanimous vote for opposition to the plan was cast by the executive committee of the Kansas Association of Insurance Agents. Every member of the committee attended. The resolution will be mailed to members this week.

Agents are urging Charles F. Hobbs, commissioner of Kansas, to disapprove the new plan and its filings. While the Kansas commissioner does not have jurisdiction over casualty rates, he does, it is said, have a certain amount of authority over forms and contracts.

Business Lost Already

In Wichita and Topeka, Kan., the bureau rates under the plan are slightly reduced, but in the country territory they were increased from \$20 to \$23. In Kansas City, Kan., they jumped from \$48 to \$57 under the Feb. 1 edict, which means that even if the driver is returned the 15 per cent, his insurance will cost him \$48.45, or 45 cents more than formerly.

Ninety percent of the business written in Kansas City, Kan., is going to non-conference companies already, agents report, because the bureau rates for the city are the same as for Kansas City, Mo.

Present at the Kansas meeting were Frank Priest, Wichita; Wade Patton, Hutchinson; Alex Case, Marion; Glen Hussey, Topeka; Lauren Jones, Dodge City; Jim Powell, Iola, and Harry O. Tinkelpaugh, Kansas City, Kan., members of the executive committee; and the following agents: Holmes Meade, Topeka; John Kelley, Leavenworth, and Sam Reynolds, Clarence Lind, and Gilbert Henry, Kansas City, Kan.

The executive committee of the Missouri Association of Insurance Agents met in Kansas City, Mo., Monday, considered the findings of the National Association of Casualty & Surety Agents and reached the same conclusions. It is recommending to its members in a letter which will be sent this week that they subscribe to the same conclusions.

Additionally the report stated that this was probably the most important agency

matter to come before the executive committee in many years, and for that reason the committee wants every member to have a proper chance to express his opinion. To the entire membership will go the recommendations, together with a mimeographed copy of the report being sent by the National Association of Casualty & Surety Agents to its members. Included in the mailing is a return card asking agents to (1) pledge to uphold the recommendations of the national casualty agents group, or (2) not to pledge to do so.

Wants Pledge Against Plan

In effect, it is said, the committee wants a pledge from the association members that they will not place any business under the plan. In ten days the association will follow up the first letter with a second to those who have not replied. The second will contain a return card and the statement that "if we do not hear from you, we will assume that you are in accord with the recommendations of the National Association of Casualty & Surety Agents."

Those who attended the Missouri meeting were Morrison Clevlen, president, Poplar Bluff; Lorren Garlich, chairman of the executive committee, St. Joseph; H. J. Wassweiler, Springfield; Ray Feltner, St. Louis, and William J. Welsh, vice-president, Kansas City—all members of the committee—and several other leading agents from over the state.

On Jan. 28, a delegation of Kansas City agents appeared before George A. S. Robertson, insurance superintendent of Missouri, at Jefferson City, to protest the plan. Among those who appeared were Moulton Green, of R. B. Jones & Sons; Frank McGee, Thomas McGee & Sons; William J. Welsh of Mann-Barnum-Kerdolff & Welsh.

Robertson notified the bureau that the department neither approved nor rejected the proposal, that the schedule had been filed.

AGENTS' POSITION

NEW YORK—Though officials of the National Association of Insurance Agents contemplate no further action at this time regarding the safe driver plan of the National Bureau of Casualty & Surety Underwriters, close and sympathetic relations exist between leaders of the former body and those of the National Association of Casualty & Surety Agents, which organization is hostile to the new form of automobile policy placed upon the market in 25 states and the District of Columbia.

Members of the National Association of Insurance Agents continue to show resentment over the refusal of the bureau companies to permit issuance of an alternative contract, permitting assured to take their choice as to the form desired.

Challenge the Statement

Challenge by the management of the association is made of the bureau's statement that "the new \$1,000 single limit combination personal injury and property damage automobile policy was adopted at the request of several producers' groups who met with National Bureau representatives during prelim-

inary discussions of the safe driver reward plan." This limited form of coverage was first suggested a year ago, companies sending a questionnaire to their agents asking their opinion of the idea. Responses were understood to have been so overwhelmingly in opposition, that the scheme presumably was abandoned. Acting on such assumption, consideration of the policy was deleted from the agenda of the mid-year meeting of the National Association of Insurance Agents last March. The only mention since made of the idea, it is stated, was the incidental suggestion by C. H. Burras of Chicago, one of the conferees at the joint session of managers and general agents here last month, that since the companies were insistent upon issuing the safe driver reward contract, they allow the agents to offer an alternative policy "even though it was only the \$1,000 coverage under review 12 months previously."

Change in Motor, Serial Numbers Is Not Vital

A ruling on the identification of insured trucks was made by the North Carolina supreme court in *Anderson & Co. vs. American Mutual Liability*. American Mutual issued a policy covering GMC 2-T truck, 1927, serial No. 50574, motor No. 1991549. The truck was repaired and the motor and serial numbers were changed. The supreme court ruled that the identity of numbers merely constituted one method of identification, and that all of the evidence showed that the truck was the GMC 2-T truck, 1927, owned by the plaintiff at the time of issuance of the policy, and that it was the truck which was embraced in the schedule of cars and trucks covered by the policy. The policy was held to cover the truck notwithstanding the change in numbers.

Lydon Was Commentator

NEW YORK.—John F. Lydon, manager personal accident and health department of the Ocean Accident & Guarantee and chairman of the Bureau of Personal Accident and Health Underwriters, was commentator at Tuesday's meeting, the second in the series of gatherings arranged by the Accident & Health Club of New York to stimulate interest of brokers and agents in the sale of accident and health policies. The other speakers were F. T. Currin and J. H. Hafts, both of the Continental Casualty. W. T. Hammer of the Metropolitan Casualty, presided.

Murphy Made Agency Manager

R. R. Murphy has been promoted to agency manager of Provident Life & Accident's railroad department. H. C. Conley is vice-president in charge of the department.

W. K. O'Connor, Chicago manager of American Indemnity, suffered the fracture of a kneecap, Mrs. O'Connor suffered injuries about the head, and the three O'Connor children were injured in an automobile accident Saturday evening. Mr. O'Connor, nevertheless, attended the hearing in Springfield Tuesday on the automobile occupational rating plan.

Several Named in Pacific Mutual Case Fight Removal

(CONTINUED FROM PAGE 10)

stock syndicate and that it was carried in the annual statement under home office salaries.

Counsel for Rindge during the second day of the hearing read into the records extracts from the official minutes of the examining committee of which Rindge was a member and executive committee of the board of directors and of the board itself. The entire day was given over to this. The examining committee minutes showed it had found salaries of executives too high and had suggested a revision; had suggested a budget director to keep down expenses and suggested a paring down of traveling expenses; that under the two plans of operating the employees stock syndicate a total of 29,247 shares had been purchased at a cost of \$952,362, and said the committee thought it unwise to sell stock to employees.

Loans made to the Long Beach Bathhouse & Amusement Co., and the Seaside Investment Co., in both of which Rindge was an officer and director, along with their status and final disposition were read into the record from the executive committee minutes.

Declaration of Dividends

Declaration of dividends to stockholders, voted as shown by the board of directors' minutes, were put on record as 50 cents per share in January, 1934; 40 cents in March, June and September, 1934 and 25 cents in January, 1935, the resolutions declaring them saying they were from "earned surplus in the non-participating life department."

Minutes of the board, read into the record, recited that an appraisal of home office property by direction of insurance commissioners of three states in 1933, and an appraisal the next year by California department fixed the valuation at \$11,000,000, or \$2,000,000 in excess of the amount at which the company carried it, and the valuation, therefore, was raised, the added \$2,000,000 being assigned to reserves for contingencies.

Character Witnesses

When hearings were resumed Jan. 31 Rindge counsel called former U. S. District Judge Bledsoe, President Rufus B. Von Kleinsmid of the University of Southern California, Regent Edward A. Dickson of the University of California, President Andrew M. Chaffee of the California Bank and Herbert D. Ivey, president of the Citizens National Trust & Savings Bank, as character witnesses.

He then resumed the stand and testified his maximum stock holdings in the Pacific Mutual was eight-tenths of 1 percent of the total issue; that he had borrowed money from the company and that possibly his stock may have been pledged as collateral, and that the examination committee had legal advice the employees stock purchase plan was lawful under the California civil code.

He declared the examining committee had made a report recommending that as there existed a lack of uniformity between the life and accident departments in handling funds, the company adopt a single system thus reducing expenses and simplifying home office accounting.

Under cross examination counsel read into the record the shareholdings of Mr. and Mrs. G. I. Cochran, Mr. and Mrs. Stanley McClung, Mr. and Mrs. W. H. Davis and D. E. C. Moore in the Long Beach Bathhouse & Amusement Co.; of the holdings of the Cochrans, Davises, Moore, McClung and Mrs. A. D. Grant in the Seaside Amusement Co. and of the holdings of the Cochrans, Lee A. Phillips and McClung in the Artesian Water Co. In connection with this he gave the interlocking directorate of the Pacific Mutual and the three other companies.

When questioned as to his knowledge of a statement that 18 percent of the collateral loans by Pacific Mutual were to companies when the directorate was

interlocking, including the three above, he said he had no recollection of having seen or heard such a statement.

E. H. Morrill, Jr., Promoted

NEW YORK—Edward H. Morrill, Jr., of the 100 William St. branch of the Aetna Casualty & Surety, New York City was presented with a beautiful desk lamp this week by the employees of the office, in recognition of his advancement to the managership of the 42nd St. branch. Mr. Morrill was connected with the 100 William St. office for 20 years.

Contribute \$100,000 to Surplus

Those principally interested in the Builders & Manufacturers Casualty of Chicago have contributed \$100,000 to surplus. This has been accomplished without increasing the capitalization.

Ralph D. Jones in New Post

Ralph D. Jones has joined Great American Indemnity as Illinois field supervisor. He takes the place of R. R. Hubner, who was recently made bond superintendent in the Chicago department. Mr. Jones has been with Continental Casualty about 10 years, having had experience both in the head office and the Chicago branch. He is familiar with all lines and for about four years traveled Cook county and Illinois.

Seek Mutual Limitation

BOSTON—The Service Men's Protective Association filed a bill in the legislature which would limit assets or profits which domestic mutual casualty companies may withhold from policyholders, having in mind the possible effect of such limitation on future competitive practices.

Scherr Birmingham Speaker

J. W. Scherr, president Inter-Ocean Casualty, was guest speaker at the Birmingham (Ala.) City Salesmen's Club. He was visiting Harry K. Reid, his company's Birmingham manager.

Try Again in Massachusetts

BOSTON—The hardy perennial, a state fund bill for workmen's compensation from the Massachusetts state federation of labor, will have support of CIO in the present legislative session, it is reported, when organized labor forces will put up their strongest fight to get the measure over.

Mathis to Central Surety

KANSAS CITY.—T. H. E. Mathis, who has been with the Missouri department for several years and who has been regarded as one of the department's most valuable men, has resigned to join the home office of the Central Surety.

Fidelity & Deposit Conference

D. C. Handy, vice-president of the Fidelity & Deposit in charge of production, held a conference in Chicago with the managers present from St. Louis, Milwaukee, Indianapolis, Minneapolis, Omaha and Chicago.

Equitable's Accident Claims

Automobile accidents accounted for over 40 percent of the accidental death claims paid by the Equitable Life of New York last year. Four hundred and seventy-seven such claims, totaling \$1,286,100 were paid under ordinary policies and 420 claims with an aggregate amount of \$634,000 under group policies. Homicide was the second largest cause, accounting for 57 ordinary and 78 group claims. Drowning was the cause in 67 ordinary and 47 group cases and burns and scalds in 40 ordinary and 43 group claims.

A grand total of \$5,872,800 was paid by the Equitable in 2,083 accidental death cases. Of this \$3,135,400 was paid as the face amount of ordinary policies, an additional \$1,106,900 under the double indemnity feature in 402 ordinary policies and \$1,630,500 under group policies.

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Prospective Earnings Is Line Now Worth Pushing

Prospective earnings insurance was explained by L. E. Kietzman, assistant secretary American of Newark, at a luncheon meeting of the Binder Club of Baltimore. Manufacturers and merchants who are already clients of the broker or agent are the best prospects, he said. They have visualized the possibility of loss to physical property, and the producer has their confidence. They are entitled to an explanation of the potential consequences of a fire.

"Will it affect the income from sales?" Mr. Kietzman asked. "It will be quite obvious that it could be severely dented, might even be totally wiped out. When a fire loss occurs, do expenses stop? Obviously not, for the business man wants to continue in business. Net profit will stop or materially dwindle. Employees, stockholders, directors, creditors, bondholders will be seriously affected and your assured will recognize that these consequences are not imaginary when a loss occurs."

Factors to Consider

"The merchant may discount the possibility of a serious loss to earnings because he may be able to lease temporary quarters. Such arrangements frequently can be effected; however this entails abnormal expenditures and therefore does not necessarily eliminate loss of earnings. The modern retailer has increased his stock turnover to the point where annual net earnings aggregate many times the average stock inventory. The same fire which damages his stock will result in an equal or even greater loss to earnings, even when restoration of the business can be made within a few months' time."

"Once you have succeeded in convincing your prospect that his earnings are subject to the same loss as his physical property, the sale is more than half completed. At this crucial point, however, many agents falter because they confuse the issue by debating the advantages or disadvantages of all the available forms, which, in most territories involve a selection from five or six types. If you have successfully pointed out your prospect's needs thus far, you must not let any doubts arise in his mind by discussing the form of contract for accomplishing your objective."

Objective Sought

"By all means decide beforehand the form you intend to use. Tell him, in a convincing way, that your policy will insure the earnings of his business in such a manner that the business will be restored to the same financial condition that existed before the loss occurred."

"Unless your power of intuition approximates clairvoyance, you will use the contribution form as the best vehicle for insuring earnings. This is unquestionably the only eastern form which enables the agent to avoid guessing in predetermining fluctuations in earnings, which occur in practically every business. Then, too, the calculation of the proper amount of insurance is greatly simplified when this form is used. The matter of deciding between the 80 percent or 100 percent contribution form can easily be settled. If the possibilities of a shutdown exceed ten months, use the 100 percent form, otherwise the 80 percent form will be more salable."

"The actual determination of the

amount of earnings insurance required to fit a given assured should be postponed until he has definitely shown a real indication to buy. Even then, it will be advisable to suggest that this detail be turned over to the firm's accountant. The operating statement for the previous year will furnish the necessary data for estimating anticipated earnings for the ensuing 12 months. Depending upon the business prospects, the estimated amount should be increased or decreased on a judgment basis.

"Since the rate for prospective earnings is invariably considerably less than

the fire insurance rate, the matter of cost is surprisingly small to the successful business man and, because of this fact, it is desirable to hold the actual cost figures in abeyance until the closing point of the sale is reached. It is usually safe to answer preliminary inquiries regarding cost by the simple statement that the annual cost will approximate the earnings loss for one day's shutdown."

Nothing Mysterious

"Make up your mind that there is nothing mysterious about 'Prospective Earnings Insurance.' It serves a vital need. A knowledge of the fundamentals plus salesmanship will enable the enterprising agent or broker to convince the business man that he needs the additional security it offers. The producer will not only perform a real service but will enhance his commission account as well."

Extra Expense Cover and Sales Technique Stressed

CLEVELAND.—At the joint meeting here of the Cleveland Board and the Ohio Association of Insurance Agents M. W. Slawson, special representative of the Royal-Liverpool Group, discussed "Extra Expense Insurance." Although the extra expense contract is not well known and its progress is being closely watched, it is doubtful if it will face the same skepticism that the use and occupancy form did. Today the value of the latter has been well recognized.

U. & O. insurance contemplates a shutdown. Yet there are many, many types of business which can not shut down—their operations must go on. This includes such enterprises as newspapers and periodicals, ice companies, banks, schools, laundries, public utilities and many others. As long as revenues are maintained there can be no loss except the extra expense loss. Extra expense insurance enters the picture where this extra expense comes in and keeps the operations going. Mr. Slawson offered examples of publishers affected by the flood whose activities had to be transferred to some other point.

Broader Than U. & O.

The extra expense form is broader than Item 3 of the U. & O. form and the two forms are not in competition. Extra expense insurance must be regarded as an independent form which does not replace U. & O. but covers cases where U. & O. should not be sold. There is no coinsurance clause to contend with and business may be closed on the first interview. It can be sold for a period as low as 90 days, or even 30 days. It is well apparent that extra expense insurance does not replace U. & O. but offers a new and greater opportunity for increased income to the agent.

Freeman Presents Skit

Charles E. Freeman, superintendent of sales development for the Springfield Fire & Marine, presented a one-act sales skit showing the right and wrong methods to employ in selling. He was assisted by Walter E. Flickinger, who was the prospective buyer, and Mrs. L. S. Asling, his secretary.

Prior to the opening of the play, Mr. Freeman advised that a salesman is always on the spot and his success depends on the impression he creates.

There are only four brief fundamentals in salesmanship: First, sell yourself; second, know your story; third, plan your efforts; and fourth, give service. All of these principles were brought out in the sales skit which followed.

The skit depicted the disastrous consequences of the uninformed salesman—the one who has to look up everything. It also showed the adverse results of the "cocky" salesman, who promises everything without regard to fulfillment. Third, it depicted the quiet, confident salesman whose ready answers and practical suggestions reflected an abundance of knowledge. This salesman recommended a survey or audit and, on the strength of results, suggested what should be done to provide a well rounded insurance program.

E. D. Lawson, manager of the western marine department of the Fireman's Fund, who was to speak on "The Personal Property Floater," was unable to get to Cleveland for the meet.

Agent Works Out Profitable System for Plate Glass

An agent who has been unusually successful in writing plate glass insurance gives a few tips on how it is done.

A day or so is taken off every month from active sales solicitation at which time he goes out and measures the glass he hopes to insure. After noting the type of glass, the settings and any other information he can gather essential to making the sale, he takes it to his local glazier who furnishes him with replacement costs for these particular plates. The premium on the risk is then calculated and followed up with direct mail solicitation. The mailing is followed by a call. He is then in a position to show his prospect just exactly what breakage on any plate would cost and quotes a premium charge on the entire risk. Before this method was worked out the agent said his sales arguments were considerably weakened because neither he nor his prospect had a clear idea of values which were the subject of the sale. Having complete information at his finger tips enabled him to close a much greater percentage of his plate glass solicitation than if he visited his prospective clients only partially informed.

ANSWERS

(From Fireman's Fund Record)

Question: What is the differential in rate for a policy covering the hazard of riot and civil commotion when such a policy is issued under normal conditions as compared with a contract issued after a strike has been called?

Answer: When a strike is called, the rates given in the manual are trebled. In certain cases the Explosion Conference has the authority to declare trebled rates on all properties of a given class, regardless of whether such individual properties are at the time actually under strike conditions.

* * *

Question: Does the American Bankers Association bank burglary and robbery policy cover damage to the bank building caused by vandalism or malicious mischief?

Answer: This policy provides coverage for damage (except by fire) caused by vandalism or malicious mischief not only to the building in which the bank is located but also to money, securities, furnishings, fixtures and all equipment located within the premises.

It is not necessary for burglary or robbery to occur at the time the money, securities, premises or fixtures are defaced or marred.

* * *

Question: There seems to be some difference of opinion in this agency as to the meaning of the word "arson." I claim that it refers to the deliberate burning of another's house, while my partner maintains that it includes any fire maliciously started—on another person's property, his own property, or any other. Can you please settle this argument?

Answer: The old definition of arson was "a malicious burning of another's house," but in most states the laws have been expanded to include any fire maliciously started in another person's dwelling or other property, his own property, or any other property. In modern usage the terms "arson" and "incendiary" are used interchangeably.

* * *

Question: An assured carries two policies of fire insurance on a valuable piece of property. Is it necessary for the extended coverage endorsement to be attached to both these policies?

Answer: The endorsement should be attached to all fire policies covering the same property. The endorsement provides that loss from any hazard covered by the endorsement must be pro rated with all the fire insurance carried on the property, regardless of whether the extended coverage endorsement is added to the other fire policies or not.

For instance, if your client's property is covered by two fire policies, say for \$50,000 each, and extended coverage is added to one of them only, in case of an explosion loss of \$20,000 the insured would collect only \$10,000, because the amount of insurance under the endorsement is half of the total amount of fire insurance carried on the property.

* * *

Question: Does the supplemental contract cover damage by snowstorm, blizzard, frost or cold weather?

Answer: No, these hazards are excluded from the scope of this endorsement, except as to the coverage provided against the hazards of windstorm and hail.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Insurance Circulation Basis

Prof. Manes, Indiana University, Tells Gary Board of Economic Importance of Insurance

GARY, IND.—When business enterprises can look into the future with greater confidence and tranquility and can work safely in the conviction that the existence of their property and that of their employees is secure, the resulting effect will be advantageous and the economic life of the nation will be promoted, stated Dr. Alfred Manes, professor of insurance at Indiana University, in speaking before the Insurance Board here. The meeting was preceded by a dinner with a number of life agents attending.

"The entire process of circulation is regulated by insurance. Without it we would have to contend with the most serious disasters and disturbances," Dr. Manes said. "It is not only the individual family that is promoted by insurance, but it welds a band around many families. Insurance leaps through the economic egoism with an altruistic thought. The insurance profession which has a much higher standing in the United States than in most other countries, is the result of a division of labor. It has reduced the taking over of risks in a professional way, based on authentic estimation."

Cites Agent's Importance

He cited statistics to illustrate the importance of the insurance agent in this country, compared with others. "At present there are more than 550,000 agents in this country, including a great number of part time workers," he said. "In life insurance there are about 320,000 agents, as many as there are life insurance policies in the South American countries. I know of no other figures which show more definitely the enormous difference in the economic life of North and South America." In conclusion Dr. Manes said that agents might be satisfied with the opinion expressed by a German author who said: "Many a thing which in former times was done by God at present is the business of the insurance agent."

ADJUSTERS (Cont.)

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Protest to Salvation Army

Centralization of Insurance for Mid-western States with One Agency Arouses Michigan Agents

DETROIT.—The recent action of the Salvation Army in centralizing all of its insurance for the midwestern states with one agency and the short-rate cancellation of its policies throughout the Great Lakes area has resulted in strong representations to the army headquarters in Michigan by George Brown, executive secretary of the Michigan Association of Insurance Agents, and J. M. Crosby, Jr., Grand Rapids, national executive committeeman.

The state association feels that this is another significant step in the direction of centralization, to the exclusion of agents at large, and is examining all angles of the situation. Mr. Brown has engaged in voluminous correspondence with army officials in Detroit and Grand Rapids concerning the matter, but has received no satisfaction as yet. So far as can be learned, this movement is not being followed up by the Salvation Army in other districts—yet.

The original complaint came from the Grand Rapids local board, where policies had been ordered short rated. Mr. Crosby, who is a past president of the Michigan association, had taken it up with Jennie Sue Daniel of the National association headquarters, who at first was inclined to excuse the army by stating that the organization, being of a charitable nature, works under a handicap financially and it would be unfair to pursue the matter. After discussing it with others, however, she agreed to investigate and has asked for photostatic copies of the correspondence with the Michigan officials.

It is understood that a large Chicago brokerage agency has been negotiating with the Salvation Army for the entire central western division business.

Cleveland Meeting Attracts Over 300; Lloyd Tells Plans

CLEVELAND.—Over 300 insurance men attended the joint district meeting here of the Ohio Association of Insurance Agents, and the Cleveland Board. John A. Lloyd, secretary of the Ohio association and chairman of the meeting, outlined the activities of the state organization. He stressed the necessity of a united front against the threat of new taxes, and of the association's alliance with associations of other business fields in the Inter-Organization Conference.

The association has been deluged with inquiries about the "Safe Driver Award Plan." Mr. Lloyd suggested that members take up the matter with the companies direct. A committee was appointed to study the plan. Mr. Lloyd said the superintendent of insurance did not believe it would be legal under the Ohio rebate statute.

Much can be accomplished by sitting down together, said Mr. Lloyd, and talking over common problems. (Several of the talks are published on the "Pointers for Local Agents" page).

Detroit Association Seeks to Keep Members "Sold"

DETROIT.—The Detroit Association of Insurance Agents recently launched a publicity campaign to keep its members "sold" on their affiliation with it. The campaign consists of attractively mime-

ographed postal cards, one to be mailed each month to all members. H. Thompson Stock is publicity chairman.

The December card said: "You are an important man in Detroit. As an insurance man you represent one of the greatest industries of the nation. Your insurance business is protected by the local, state and national organizations."

The January card said: "The bulwark of agency protection. The Supreme Court of the United States has established the constitutionality of resident agency laws. Organized associations get recognition while the individual can do nothing. The American agency system is being perpetuated by the insurance agents' associations."

The February mailing will say: "Do you believe in insurance? The monetary value of our local agencies was secured when our organized associations, through state and federal courts and company agreements, forced recognition of the agency ownership of expirations. Your business is insured through the insurance agents' associations and the Detroit Association of Insurance Agents."

Mid-Year Meeting Idea Discussed in Minnesota

MINNEAPOLIS.—Advantages of a mid-year meeting are being laid before members of the Minnesota Association of Insurance Agents. Pointing out that mid-year meetings have been tried with success in other states, the sponsors of the plan for Minnesota cite five reasons for its adoption:

1. Coming during the winter or early spring months there is a greater tendency on the part of everyone to work at these meetings rather than to play, with the result of more accomplishments.
2. It affords all officers an opportunity to get together at a halfway mark of their term, to review the work of their administration, to exchange ideas and to concentrate on activities which they are interested in for the balance of their term.
3. It provides an excellent opportunity for an insurance school or short course.
4. The attendance is less apt to be reduced because of vacations, as happens at the time of summer meetings.
5. Mixing with fellow agents and picking up new sales ideas will result in each member going home filled with pep and enthusiasm to hit the ball.

It is suggested that the mid-year meeting be held either in St. Paul or Minneapolis and be limited to two days.

Repeat Detroit Educational Course at Wayne University

DETROIT.—Three courses in general insurance, sponsored by the Detroit Association of Insurance Agents and lasting 18 weeks each will be repeated by Wayne University for a second semester, starting Feb. 11. The courses make it possible for anyone who wants to go into the general insurance business to pass the examinations required by the new Michigan agents qualification law.

The fire and transportation course is given Wednesday nights from 7 to 9 by H. Thompson Stock, partner in the A. J. Stock agency and treasurer of the Detroit association. The first meeting will be held Feb. 16. The casualty, fidelity and surety course is given Friday evenings from 7 to 9 by Harold Reinhold, superintendent of the bonding department of the U. S. F. & G. in Detroit. The first meeting will be on Feb. 11.

Mr. Stock will conduct an elementary course in all branches of general insurance on Friday nights from 7 to 9, with

the first meeting Feb. 11. Life insurance and social security are included in this course. Secretary T. J. Hennes of the Detroit association is distributing outlines of the three courses to prospective students.

Employers Mutuals' Conference

WAUSAU, WIS.—Managers of the various branches of the Employers Mutuals and underwriters from the district offices held their annual meeting with officials of the companies at the home offices here. Conferences were held on sales and promotional plans for the coming year. President H. J. Hagge was toastmaster at a joint luncheon of field and home office men.

Sheboygan Agencies Move

Gerry Pauly and Hugo Meyer, operating local insurance agencies under their own names in Sheboygan, Wis., have moved the offices from the Thomas building to the fifth floor of the Security National Bank building. While they have a joint office, each will continue to maintain a separate agency business. Mr. Pauly is president of the Sheboygan Board of Fire & Casualty Underwriters.

Martin Changes Agency Name

Ralph L. Martin, Milwaukee local agent who has been operating as Kremers-Martin Agency since acquiring sole ownership, has changed the name to Ralph L. Martin Agency. He is vice-president of both the Milwaukee Board and the Wisconsin Association of Insurance Agents.

Important Cincinnati Meeting

CINCINNATI.—A solicitors' meeting Feb. 23 will be sponsored jointly by the Cincinnati Fire Underwriters Association and the Business Development Office, of which G. H. Allen, Royal-Liverpool groups, Cincinnati, is local chairman. Speakers for the meeting are, C. D. McVay, vice-president Ohio Farmers, "The Stock Plan in the American Agency System;" R. D. Safford, vice-president Travelers Fire "Salesmanship;" and E. D. Lawson, manager western marine department Fireman's Fund, Chicago, "The Personal Property Floaters." The meeting is open to all agents and solicitors in the Cincinnati area.

Margaret Hill Opens Agency

Miss Margaret Hill, who for a number of years has been associated with Columbus, O., agencies, has established her own office to be known as the Mar-Hill agency at 180 North High street there. She was recently with the farm department of the Home of New York, being an underwriter. Miss Hill states that the agency will operate throughout the state, writing all classes of business.

Make Direct Contracts in Ohio

Following the suggestion made by Ohio Association of Insurance Agents, Ohio agents, it is understood, are making direct contracts with the fire companies which they represent. It is understood that the companies have accepted the interpretations of the contracts which were submitted by the agents a few weeks ago.

Bell Presents 50-Year Plaque

George H. Bell, western manager of the National Fire, at a luncheon in St. Louis, presented the Strodman & Strodman agency of that city a plaque commemorating the fact that the agency has represented the National for 50 years. Mr. Bell was accompanied by Special Agent James W. Evans. The western department of the National has been in existence for just 50 years, the first manager having been Fred S. James. The National is attaching spe-

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AD1841

CAMDEN FIRE Insurance Association
Camden, New Jersey

cial significance to this anniversary. Strodtman & Strodtman had previously represented the Washington Fire & Marine, which was reinsured by the National 50 years ago. It was the reinsurance of the Washington F. & M. that caused the National's management to decide to establish a western department.

Ohio Regional Meetings

The Ohio Association of Insurance Agents is arranging a series of meetings to be held in the nine districts into which the state has been divided. The first was held in Cleveland, Jan. 26. Another will take place in Toledo, Feb. 8. The rural agents committee, headed by P. W. Tribolet of Bellevue, also is working out plans for a series of meetings for agents who write rural and farm insurance.

John A. Lloyd, secretary of the Ohio association, this week began to make reservations for a large delegation from Ohio at the annual meeting of the National Association of Insurance Agents in Hot Springs.

Kenton, O., Being Rerated

Kenton, O., is now being rerated by the Ohio Inspection Bureau and the rates in Findlay are being changed from the rate book to rate cards. The inspection bureau is cooperating with the National Board in the inspection being carried on in Canton, O.

Would Hold County Liable

MILWAUKEE — Notice that the county government would be held liable for any damage or injury suffered in the strike now in progress at the Holton & Hunkel Co. greenhouses near Brown Deer was received by the Milwaukee county board of supervisors. The greenhouses have been picketed by a union seeking a closed shop. The notice said the company had been threatened with damage. The Wisconsin supreme court recently ruled that a governmental unit could be held liable for strike damage in a case brought against the city of Milwaukee as a result of the street car strike of 1934.

Fred L. Gray Co. Promotions

The Fred L. Gray Company of Minneapolis announces that Clarence F. Clark has been elected vice-president, H. W. Nicolle secretary and H. A. Paulsen treasurer. All have been associated with the office for some time. Frank J. Ney, vice-president, is retiring after 25 years' service. He has been in poor health and he is being granted an extended leave of absence. Mr. Clark will continue as manager of the bonding

department and Mr. Nicolle, in addition to his duties as secretary, will be superintendent of liability. J. E. Reimann is president. W. A. Williams and R. G. Butts are the other vice-presidents.

Milwaukee Patrol Assessment

MILWAUKEE—At the annual meeting of the Milwaukee Fire Insurance Patrol, it was voted that an assessment up to 2 percent, for a total not to exceed \$45,000, be levied against the premiums collected by fire companies doing business in Milwaukee.

O'Keefe Has Own Office

W. L. O'Keefe has entered the independent adjusting business in Sioux City, Ia., on his own account. Heretofore he has been manager of the Sioux City branch of the Insurance Service & Adjustment Co. That branch has been discontinued and Mr. O'Keefe will continue on his own account.

Mann Made District Agent

F. W. Mann, formerly of Caldwell, Ida., has been named district agent at Lincoln, Neb., for the Federal Hardware & Implement Mutuals and Hardware Mutual Casualty. He succeeds Joe Elwell, Jr.

Olinger Manitowoc Speaker

MANITOWOC, WIS.—Byron K. Olinger, state agent Connecticut Fire, spoke on use and occupancy insurance at the monthly meeting of the Manitowoc Insurance Board. Officers installed at the meeting were: Ben F. Fronk, president; Joseph Wolff, vice-president, and Frank Vraney, secretary-treasurer.

Marquette Agent's Fire Loss

The office and records of the Peter White & Co. agency of Marquette, Mich., were destroyed in the fire in that city that is estimated to have caused insurance loss of about \$160,000. The agency was located on the second floor of the Masonic Temple, which is reported as a total loss. Peter White & Co. is one of the largest agencies in Marquette and had much of the insurance on the buildings involved in the fire. The fact that the records were destroyed has delayed getting together a complete story of the situation. The companies represented by Peter White & Co. are Aetna Fire, Atlas, Colonial Fire Underwriters, Detroit F. & M., Fidelity-Phenix, Fire Association, Hanover, Hartford, Home, North America, L. & L. & G., New York Underwriters, North British & Mercantile, Norwich Union, Phoenix of London, Phoenix of Hartford, Springfield F. & M., Sun, and Travelers Fire.

IN THE SOUTHERN STATES

New Virginia License Measure

Agents' Association Backs New Measure to License Solicitors and Regulate Non-Resident Brokers

RICHMOND, VA.—House Bill 151, sponsored by the Virginia Association of Insurance Agents, provides for the licensing under administrative order of the Virginia insurance department. Provision is also made for the licensing of an agency in addition to the licensing of agents. Regulation of the activities of non-resident brokers is taken out of the tax code and placed in the insurance code. The measure makes revocation of the license of such brokers as a penalty for failure to comply with the insurance laws. It is also provided that no one except a resident agent can countersign a policy. Various classifications of persons licensed by the department are defined specifically in the measure. It is understood that the bill, a lengthy document, includes all the changes in the insurance laws affecting agents and brokers that

will be sought by the association at the present biennial session of the assembly.

The Virginia house committee has reported favorably on the bill establishing a separate insurance department and changing the present title from superintendent to insurance commissioner.

Alabama Revenue Up; Julian Asks for Changes in Code

MONTGOMERY, ALA.—Total receipts of the Alabama insurance department for 1937 were \$992,713, an increase of \$65,257, according to the annual report of Superintendent Julian. There has been a steady gain of receipts in the past three years from the low of \$691,310 in 1934. Expenses were \$24,877 in 1937 and \$24,228 in 1936.

Mr. Julian recommended an increase of traveling expenses allowed the superintendent and his deputies and legislation providing for the uniform liquidation of companies. The department needs an all time salaried auditor to audit tax statements. He also recom-

mended that the salaries of the insurance department be made commensurate to the duties performed, and not less than salaries paid in other departments.

An amendment to Section 8371 of the code making the anti-discriminatory or rebate statute effective, was asked by Mr. Julian, as well as an amendment to Section 8347 which fixes the reserve of insurance companies other than life. He said the percentage of unearned premium reserves should be specifically stated and the unearned premium reserve should be set up on the premium charged rather than "the premium received."

Other Recommendations

Mr. Julian recommended an amendment to Section 8348 by adding a requirement that all fire insurance companies should issue in this state a standard form fire insurance policy. Section 8373 dealing with the placing of insurance with unauthorized companies, should be amended and a penalty added to make it effective, he said. The penalty should be against the holder of the policy and should be so written that the penalty would be certain of collection.

He recommended that the state fire fund act should be amended and the operation and administration of this act should be placed in the bureau of insurance.

Mr. Julian reported an increase of fire waste in 1937. Most of the fires, he stated were preventable, but incendiary showed no increase.

"It may be necessary," he said, "in order to curb further fire waste, to request the fire insurance companies to withdraw from those counties wherein suspicious fires are on the increase."

Knoxville Agency Celebrates

Cooper, Coffman & Brooks, one of the largest agencies in Knoxville, celebrated its 12th anniversary last week with a banquet. Members of the firm, 14 employees and company representatives sat down to a feast with Attorney Wayne Parkey as toastmaster. Some of the company men present were Vice-presidents J. K. Hacker and Ralph Platts, Standard Accident; Hal White, its agency superintendent; F. M. Bamberg of Atlanta, its southern manager; Martin Crawford of the Standard's Atlanta branch; G. C. Woods, manager of the mortgage loan department National Life & Accident; State Agent E. A. Parsons, Standard Fire of New York; Troy Barnes, Firemen's; General Agent A. L. Williams, Bankers & Shippers at Nashville, and Hal Blair, state manager Bankers Life of Des Moines.

Killson Heads Houston Exchange

HOUSTON.—B. A. Killson has been reelected president of the Insurance Exchange of Houston. Other officers elected were John R. Young, vice-president; Buford Goodwin, treasurer; John W. Daniel, reelected executive secretary, and Miss Chattie Slayton, assistant sec-

retary. Elected to the executive committee were Buford Goodwin, Floyd E. Ford and Ben H. Ward. The executive committee includes, in addition to the three new members, Craig Belk, Ben A. Calhoun, B. A. Killson, L. A. Stevenson, W. L. Thaxton, John R. Young and John W. Daniel.

Agent Heads Insurance Committee

Milton R. Morgan, local agent at Fincastle, Va., is chairman of the house committee on insurance and banking. Frank Moore, local agent of Lexington, is a member of the committee.

To Have "Bosses' Day"

The Insurance Women's Club of Oklahoma City will celebrate "Bosses' Day" with a luncheon meeting Feb. 9. Each member will have as her guest the state agent or general agent by whom she is employed. This is an annual event with the club. A special program is being arranged.

Roanoke Bans Fireworks

The city council of Roanoke, Va., has passed an ordinance banning the sale of fireworks in that city. This action was taken after a license fee, intended to be prohibitive, failed to prohibit. The council voiced its approval of a state law banning the sale of fireworks drawn up by the Virginia League of Municipalities for introduction in the legislature.

Agent's Surety's Liability

A surety on a local agent's bond is liable only for the penal amount. Any amounts paid to the obligee reduce the surety's liability for future claims to that extent. This was the decision of the Mississippi supreme court in National Union Fire vs. Currie.

Alexander Currie was surety on the bond of Holcomb, the National Union's agent.

Currie, in October, 1935, made good an alleged delinquency of the agent amounting to \$425. On Jan. 30, 1936, he paid \$262 on a further alleged delinquency, and on March 30, 1936, he paid another \$405. The total amount of the payment was in excess of the \$1,000 bond penalty.

On Aug. 1, 1936, \$566 was paid in settlement of an indebtedness accruing in April of that year, under an oral agreement with the National Union representative that such payments fully discharged him from further liability under the bond. According to the court, since the payments made previously by the surety were in excess of the bond penalty, the obligation of the bond was automatically discharged and no agreement for release of the surety was necessary. The relation between the National Union and Currie was not one of unlimited suretyship. It constituted a continuing guaranty or security limited as to amount in the sum of \$1,000.

Ponca City Agent Is New Oklahoma Agents Manager



LEWIS J. MCCOY

Lewis J. McCoy, a prominent local agent at Ponca City, has been selected from a large list of applicants as manager of the Oklahoma Association of Insurers, succeeding John D. Saint, who resigned to become manager of the

Tennessee agents organization.

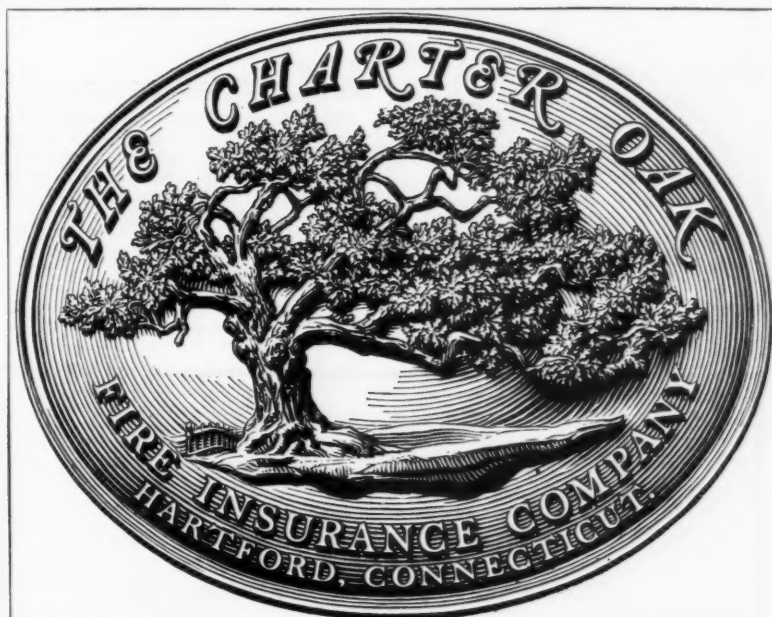
Mr. McCoy was born in Sistersville, W. Va., and passed his early years in Boulder, Colo. He has been an active member of the state association since he started in the local agency business at Ponca City in 1932. Prior to that time he was associated with an insulin firm in St. Louis for two years; five years with a chemical firm in Denver; in the oil business at Bartlesville, Okla., and two years in the army engineering corps during the war.

Mr. Saint, who has been successful in building the association's interests to a high degree since his appointment two years ago, will remain in Oklahoma until March 1, making a state-wide tour to introduce Mr. McCoy to the membership.

Mr. McCoy officially assumed his new position Feb. 1. He is disposing of his private interests and will devote his entire time to completing the organization of the Oklahoma association.

The executive committee has instructed Mr. McCoy to arrange for a series of three regional meetings just as soon as possible. At that time he will give an idea of the future program of enlarged activities for the association.

Mr. McCoy attended the University of Colorado college of engineering. He has sold the Lewis J. McCoy Agency at Ponca City to Clifford Wetzel. Mr. McCoy will make his headquarters in Room 414, Braniff building, Oklahoma City. He has worked closely with Mr. Saint in connection with the Ponca City Insurers Exchange.



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MILWAUKEE
PORTLAND
SEATTLE
DULUTH
MINNEAPOLIS



PACIFIC COAST AND MOUNTAIN

Los Angeles School Line Controversy Is Settled

LOS ANGELES—The Los Angeles board of education has awarded \$5,700,000 of fire insurance on city school properties to 65 local agencies of board and non-board stock companies, in the proportion of 90 and 10 percent, thus ending the battle that had raged from mid-September.

At the same time the board bought fidelity bond coverage from the St. Paul-Mercury Indemnity.

The fire line was written on a five-year basis, with eight-point coverage at an annual premium of \$41,000 with the supplemental contract relative to cancellations remaining in force. The line replaces short coverage notes on policies expiring in November, last year, and the agencies getting the line are the ones previously on the risk.

This action leaves the situation just as it was before the furore started, with the \$40,000,000 remainder of the line coming up for renewal at the rate of \$10,000,000 yearly for four years.

The fidelity bond, purchased from Van Norman & Morrison, local agents for the St. Paul-Mercury, is at a premium of \$2,360 and this rate is understood to be a concession from the conference rate. It covers all members and employees of the board, teachers and students who handle any of the moneys of the school district.

Malcolm Is Named

WALLA WALLA, WASH.—Newly-elected officers of the Walla Walla Insurance Agents Association are: George R. Malcolm, president; Austin Roberts, vice-president; Gerwyn A. Jones, secretary-treasurer.

Governor's Appointee Upheld

DENVER—Governor Ammons and Joseph Bixby, appointed by the governor as hail insurance commissioner, won a victory in court here when it was ruled the governor had the power to

make the appointment. Bixby's right to the office has been contested by the hail insurance board, which claimed the office of commissioner was vacant since the resignation several weeks ago of L. F. Brammeier and that the board alone had the authority to appoint a successor.

Boyle Talks in Seattle

SEATTLE—The Fire Companies Adjustment Bureau was host to over 40 company men at a luncheon. Harry J. Boyle, Pacific Coast manager, San Francisco, discussed the functions of the bureau. J. M. Roddy, Seattle branch manager, was in charge.

Agents and Brokers Confer

C. Elmer White, vice-president, and Frank C. Colridge, executive secretary California Association of Insurance Agents, visited San Francisco, for a conference with S. A. Malatesta, president, and Hugo Meyer, secretary of the Insurance Brokers Exchange of San Francisco. The nature of business was described as "matters of mutual interest to insurance producers of California."

Withdraws Special Filing

OLYMPIA, WASH.—The Bankers & Shippers fleet has withdrawn its special minimum premium filing, applicable to comprehensive coverage, which has been in effect in Washington since Jan. 31, 1935. The companies are now issuing the current manual rates applying to this form.

Barrows Is Yakima President

YAKIMA, WASH.—New officers of the Yakima Fire Insurance Exchange are C. F. Barrows, president; Phil Phillips, vice-president; C. E. Fraser, secretary-treasurer. The new executive committee includes O. N. Waltz, W. W. Miller, W. F. Bridgeford, Hugh Wilcox.

Reelect Spokane Officers

SPOKANE, WASH.—The Spokane Insurance Association has reelected its officers for 1938. Leonard M. Arbon is

president, C. M. Livingston, vice-president and T. J. Meenach, secretary-treasurer. R. D. Kiff, Paul L. Swift and B. C. Kenney are executive committeemen.

Aiken Is Member of Firm

Jared C. Aiken, southern California manager for Rathbone, King & Seeley, San Francisco general agency, has been elected a partner.

Mr. Aiken received his first training with the Hartford Accident in Seattle, Portland and Salt Lake City, resigning after four years to join the Metropolitan

Casualty and Commercial Casualty as Oakland manager, where he remained six years. He took his present position in 1935.

Dunlap to Gould & Gould

Gordon Dunlap, in insurance work in Seattle since 1929, has been appointed special agent for Gould & Gould, general agents, covering western Washington and Yakima valley. He was formerly with the Federal Hardware Mutual.

EASTERN STATES ACTIVITIES

Hooker Is Elected President

Annual Meeting of the Factory Insurance Association Was Held in New York City—Gains Reported

The Factory Insurance Association of Hartford held its annual meeting in New York City, preceded by a dinner. Manager H. P. Smith in his report stated that a considerable amount of new business was secured last year. The premium income was greater than many previous years. F. C. White, vice-president Hartford Fire, who has served as association president since 1933, asked to be relieved. J. K. Hooker, vice-president Automobile and Standard of Hartford, was elected president. Vice-president E. J. Sloan, Aetna Fire, who has served as vice-president since 1930 and previously was president and member of the executive committee for 26 years, asked to be relieved of his duties. Vice-president C. S. Kremer of the Hartford Fire and Vice-president Esmond Ewing of the Travelers Fire were chosen vice-presidents. J. H. Vreeland, manager Scottish Union & National, was reelected secretary. He has served in that position for 20 years. Gilbert Kingan, London & Lancashire, was reelected treasurer. The following were elected members of the executive committee: Aetna Fire, Continental, Great American, Home of New York, North America, National Fire, North British & Mercantile, Phoenix of Hartford and Springfield F. & M.

Confer on New England Plan

Boston Board Still Opposed to New Setup, but Counters with Some Modifications

BOSTON.—Committees representing the Boston Board and the proposed New England Fire Insurance Rating Association met here to consider the abolition of the Boston and Providence, R. I., boards and their merger with the New England Insurance Exchange in the proposed new organization.

With a new administration the Boston board has a new committee to support the position of the board, which six months ago voted two to one not to accede to the companies' demand for the merger. The new committee is made up of Chairman F. A. Dewick, H. G. Fairfield, J. H. Carney, J. H. Eddy, R. A. Benting and Gerould Henderson. The committee decided that nothing has occurred to change the attitude of the board. However, the committee did formulate a number of conditions for the consideration of the companies' committee, which, if accepted, might open the door for more promising conversations in the future. There was little hope, however, that the conditions proposed would be accepted by the companies. The report of the special committee was submitted to the Boston board executive committee for approval.

This week the Boston board committee is meeting with the newly formed company—New England Fire Insurance Rating Association committee consisting of Vice-president Guy E. Beards-

ley, Aetna Fire; Vice-president C. C. Hannah, Fireman's Fund; President William R. Hedge, Boston and Old Colony; Vice-president William F. Dooley, Continental, and Vice-president W. B. Rearden of the National Ben Franklin.

The Boston board committee's new terms were taken under advisement by the company committee. One of the outstanding conditions presented, it is understood, is a suggestion that the Boston board continue to have authority to promulgate rates for the Boston territory, even if the rate making power is given over to the proposed new association. It is also understood that the local board committee is maintaining its former position that all companies now in the Boston board, including mutuals, must be taken care of in the new setup.

Pittsburgh Speakers Listed

Four Forum Sessions to Feature Annual Insurance Day Program There Feb. 14

PITTSBURGH—Speakers for all meetings scheduled in connection with the Pittsburgh Annual Insurance Day program at the William Penn hotel Feb. 14, sponsored by the Insurance Club of Pittsburgh, have been selected with the exception of the speaker for the fidelity and surety forum.

The following program is announced by Wallace M. Reid, general chairman: 10:30 a. m.—Casualty Forum, in charge of the Casualty Association of Pittsburgh; Frank S. Kaufman, local manager Travelers Indemnity, chairman; speaker, William Leslie, general manager National Bureau of Casualty & Surety Underwriters, "Safe Driver Reward Plan."

Accident & Health Forum, in charge of the Pittsburgh Accident & Health Insurance Managers Association; Walter M. Ivey, manager, Monarch Life, chairman; speakers, James E. Powell, vice-president Provident Life & Accident, "Accident Insurance as an Agency Builder," and Frank L. Madden, chief policy analyzer Pennsylvania insurance department, "Sidelights of the Accident and Health Business as Seen by the Insurance Department."

2:15 p. m.—Fire & Marine Forum, in charge of the Smoke & Cinder Club of Western Pennsylvania; George E. Scaff, Royal Exchange, chairman; speaker, A. R. Menard, assistant director Business Development Office, New York, "Outline of a Campaign for Recovery of Lost Lines."

Surety & Fidelity Forum, in charge of the Surety Association of Pittsburgh; James E. Harlan, Pittsburgh branch manager Fidelity & Deposit, chairman.

E. W. Murphy of the A. L. Patterson agency is general chairman of the round table program.

Distinguished Anniversary Party of Fairfield & Ellis

BOSTON—The 35th anniversary of the Fairfield & Ellis general agency in Boston was celebrated with a dinner, special floor show and ball, attended by some 300 friends of the agency, including many company officials and a party

Tradition . . .

Developed in the fine traditions typical of New England . . . our greatest heritage is the constancy of our agents. Their loyalty through many years has become traditional.

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PRESIDENT

FIRE - AUTOMOBILE - INLAND MARINE

THE INSURANCE BUILDING
PROVIDENCE, R. I.

of 40 from New York, representatives of the agencies in the Boston Board, field men and others.

H. G. Fairfield, founder, became a factor in Boston fire circles very early. Following a few years as special agent and general agent for Royal Exchange, and while still quite a young man, he was called on to straighten out the affairs of the Patridge & McCullough agency, which had gone under with the old North American of Boston in the 90's, which it represented. Fairfield re-insured North American of Boston in Royal Exchange.

In 1903 Mr. Fairfield organized the agency which was to bear his name, as the H. G. Fairfield Co. George O. Russell was taken into the firm later and in 1924 Alexander Ellis, and the agency is now known as Fairfield & Ellis. During the years Mr. Fairfield has served three years as president of the Boston Board, director of the Boston Protective Department, as chairman advisory committee Service Men's Protective Association, and has just been reelected president of the Boston Association of Casualty Managers & Executives. He is president of the Prouts Neck Association of Maine and active in many other lines. Alexander Ellis, junior partner, is president Insurance Society of Massachusetts, and of the First Corps Cadets Veterans Association, and director of the Oyster Harbors Club.

Governor and Mrs. Hurley and Bank Commissioner Husband, were present.

Pennsylvania Agents to Have Mid-Year Conference

The Pennsylvania Association of Insurance Agents will hold a mid-year business meeting at the Penn-Harris Hotel, Harrisburg, Feb. 8. The meeting will be open generally to members, agents that are not members and company men. A number of subjects will be discussed, including the new automobile safe driver reward plan, Pennsylvania workmen's compensation rates and commissions. The directors will meet the evening before and that meeting is open to all members. W. F. Wingett of Scranton is president.

North British Conference

BOSTON—The North British & Mercantile held its annual two day business conference for New England representatives here. A. E. Murdock, secretary New England department, and General Agent H. A. Klocke were in charge. From the home office were Secretary S. T. Shotwell, automobile department; Secretary Walter R. Rhyen, inland marine and special lines department; G. L. Scott, assistant general adjuster, and W. J. Traynor, publicity director.

Hear Talk on Reinsurance

The fire insurance group of the Insurance Institute of Hartford heard a talk Tuesday by F. H. Newman, assistant U. S. manager of the General of Paris, who spoke on reinsurance.

Rochester Board Meets

ROCHESTER, N. Y.—The Underwriters Board is holding a dinner meeting Feb. 3, at which W. E. Day of Syracuse will outline the need of co-operative local board advertising, describing the Syracuse plan, which has

been successfully used by 34 local boards in all parts of the country. Plans are now being formulated for daily newspaper advertising. Other discussions will be concerned with compulsory insurance, safe driver reward and an accident prevention campaign.

Seek to Tax Investments

TRENTON, N. J.—A new legislative measure seeks to fix a more definite method of taxation for stock insurance

companies, other than life, by adding a tax based upon investment income in substitution for the present capital stock paid in and accumulated surplus. This measure will be opposed by the companies.

The Burlington, Vt., Mutual Fire elected F. S. Reed of the W. W. Sprague & Son Agency, St. Johnsbury, Vt., and Fred C. Martin, Bennington, directors and promoted L. J. Budrow, agency supervisor, to the new post of assistant secretary.

IN THE CANADIAN FIELD

London Lloyds More Active

Canada Agents Are Feeling the Impact of Its Competition, It Having Secured Valuable Lines

TORONTO—There is considerable feeling in agency circles in Canada as to the activities of London Lloyds. For instance, although the Toronto police department did not see fit to place the insurance with London Lloyds, which underbid other companies 15 percent, the provincial police officials not only placed their automobile public liability and property damage with London Lloyds but took out Lloyds insurance on all departmental motorcycles. These machines are all owned by the police officers themselves. Other provincial departments have turned their insurance over to London Lloyds. Recently the province of Alberta canceled some \$7,000,000 of fire insurance placed with stock companies and turned the business over to London Lloyds.

Finlayson Urges Exclusive Jurisdiction for Dominion

OTTAWA—G. D. Finlayson, Dominion superintendent, urged that insurance jurisdiction in Canada be given wholly to the Dominion, in the hearing before the royal commission. He said he could not see that any good purpose was served by supervision by the provinces in addition to that of his own department. While the Dominion department obtains full information and publishes details, the companies also have to file statements with and pay fees to most of the provinces, involving much clerical work of which they should be relieved. He estimated that his department could take over supervision of all companies, as it is now doing for Nova Scotia, at an added cost of about 5 percent, and not more than 10 percent. Its cost of supervision, assessed against the companies, was \$151,000 in 1936, while seven provincial departments in the same year cost \$148,000.

He estimated that the cost to the companies in preparing statements, filing documents and obtaining licenses will run into hundreds of thousands of dollars in the aggregate.

Automobile Rate Increases

TORONTO—Increases in automobile insurance rates as recently announced by the Canadian Underwriters Association will average 7½ percent on total business, it is estimated. In Quebec and Ontario, public liability and collision rates are raised sharply. In the maritime

provinces there are some minor upward adjustments. In the three prairie provinces, fire and theft and, for the most part, property damage, remain at the old rates; increases in public liability have been spotted according to territory, but they are still lower than for similar localities in eastern Canada or in the United States. In British Columbia there is a 10 percent public liability and 25 percent collision (\$100 deductible) increase for the Greater Vancouver and New Westminster areas, and an increase of 15 percent for commercial vehicles.

MOTOR

Flat Rate on Financed Cars Barred in State of Utah

SALT LAKE CITY—Commissioner Neslen has served notice on all fire and casualty companies to discontinue giving a flat rate on automobiles where joint interest is involved, regardless of the size or value of the cars. The commissioner holds the practice to be discriminatory. The bulletin sets forth that the purchaser of an automobile through a financing company is entitled to the same rights in the unearned portion of a premium on the cancellation of a joint interest policy as he would have had were no financing company involved.

He also ruled that purchasers of automobiles under a financing plan are entitled either to an insurance policy or a certificate setting forth the amount and kind of insurance carried. Should the master policy cover such cars through a common vendor or financing company, the policy or certificate must hereafter contain a factual statement of the amount of premium paid, the period for which the policy is written, together with the amount of insurance carried and nature of the coverage; also all such policies must be signed by a resident agent.

Death of A. C. Faeh

A. C. Faeh, manager of the Automobile Trade Association of Chicago, died last week. He was well known to insurance men as when the Automobile Salvage Bureau was in operation he was in charge. Mr. Faeh was killed in an automobile accident, he being accompanied by his sister-in-law when his car crashed headon into a street car.

National Auto Club Record

SAN FRANCISCO—H. E. Manners, associate general manager of the National Automobile Club, reports an 11 percent increase in new memberships



FEBRUARY, 1938

● Make a habit of asking yourself these two questions before you call on a prospect: "Why should he buy the policy?" and "What can I give him that he can't get from another agency?" If you cannot answer both of these questions in the positive, don't make the call. You will be wasting the prospect's time as well as your own.

● Better start laying the ground work for your Windstorm Insurance Campaign next month. Make up your prospect list and start typing your sales letters so that when March comes, all you will have to do will be to drop so many in the mail box each day. And—follow them up. Our agents will use letters from the book "Business Building Sales Letters," and our strong folders, "You Don't Expect This to Happen, But—"

● The net profit of your agency is based on the amount of premiums collected and not on the amount of business written. Read that over carefully.

● Two full pages of "Tips" appear each month in our publication "The Accelerator." Write for a sample copy.

● The wise agent reviews the coverage when he delivers a policy. He knows that by doing so, he shuts off the possibility of a misunderstanding in case of a loss and opens the way for discussion of other forms of insurance. Thus he builds for the future.

● Business men in your community have about finished checking over the figures for 1937. They will be interested in your explanation of Business Interruption Insurance.

● A plan that has increased the premium incomes of small, medium and large sized agencies throughout the country is explained in our free booklet "Planned Progress." No use trying to figure out how much you have lost by not using this plan. Right now you can do something that will boost your premium income this year. Write for "Planned Progress" today.

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A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

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Approved and Labeled by the Underwriters Labora-
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Cash in on **Hoodoo Day**—for sales plan
details write The Accident & Health
Review, 175 W. Jackson Blvd., Chicago.

for 1937. The ratio of renewals was 83 percent. He announced this to be the best membership record in several years. Bert Stewart, Jr., of the safety department of the National Automobile Club, was guest on the program of the California Traffic Safety Council over radio station KJBS in San Francisco.

Keep Assistant Secretary

C. R. Keep, who has been in charge of the automobile department of the Meserole companies, has been elected assistant secretary of the companies in the group.

MARINE

Atlantic Mutual Changes

The Atlantic Mutual has created the office of treasurer, which for the present will be combined with the office of senior vice-president, now held by J. A. Bogardus. W. J. Thompson is appointed secretary, the appointment to take effect July 1, upon the retirement of the present secretary, F. D. Denton.

The new offices of comptroller, assistant treasurer and assistant secretary were created, to which offices C. F. Lynch, M. L. Henry and W. N. Williams were appointed, respectively. The office of loss manager, which has been vacant for some time, was filled by the appointment of F. G. Forrow.

W. Irving Plitt was appointed branch manager at Boston to take the place of Roy E. Carr, who was recently appointed field manager with headquarters in New York. Mr. Plitt will take up his duties in Boston about April 1.

H. T. Chester Is Reelected

H. T. Chester was reelected president of the Board of Underwriters of New York at the annual meeting. S. D. McComb is vice-president, W. D. Winter, secretary, H. C. Thorn, treasurer.

Appleton & Cox Change

J. F. Hirschmann has been appointed inland marine underwriter in the agency division of Appleton & Cox, taking the place of Howard Keyes.

A. F. of L., C. I. O. Unions Are Active in Seattle

SEATTLE—The American Federation of Labor and the C. I. O. have come to grips in attempts to unionize several branch of insurance in Seattle. The A. F. of L. has granted a local charter to the Insurance, Investment & Securities Agents Union, which is attempting to organize one union for both agents and solicitors. The local would have separate subdivisions for agents and solicitors, its organizers state. All lines of insurance would be included. The C. I. O. is attempting to organize industrial life agents and insurance office workers in all lines into one union. Lea Allen, San Francisco, regional director for the C. I. O.'s Professional & Office Workers Union, was in Seattle and held a preliminary organization meeting. About 50 attended, mostly John Hancock Mutual Life industrial agents. Attempts are being made to interest industrial agents of the Metropolitan and Prudential. The union is the same C. I. O. organization working among industrial agents in the East.

Organizing Office Workers

Insurance office workers are likewise being contacted by the A. F. of L. Office Workers Union, in which it is planned to have a separate subdivision for insurance. James Barr is the A. F. of L. representative in Seattle for the office workers group and is cooperating with the new A. F. of L. Insurance, Investment & Securities Agents Union. F. H. Stewart, Seattle local agent, and Jack Campbell, former agent and field man, are active as organizers for the agents union.

C. R. Street's Death Causes Regret

(CONTINUED FROM PAGE 3)

Mr. Street arrived in Chicago Feb. 19, 1884, just about 54 years ago. On his 50th anniversary of coming to Chicago he was accorded a complimentary dinner in that city at which were gathered around the table, company officials, managers, his office associates and other friends in the business. He started to work in the western department of the old Phenix of Brooklyn Feb. 20, the day after he arrived. The office was located in the old First National Bank building, a six-story structure at Dearborn and Monroe streets. Thomas R. Burch was western general agent. There were three examiners in the department, they being T. W. Eustis, who later became assistant general agent and then western manager of the Manchester; M. L. Duncan, who later went with Weed & Kennedy and became United States manager of the Svea, and Charles E. Van Voorhis, who later went with the Liberty of New York, and when it was reinsured connected with the western department of the Hartford.

Was Native of Mississippi

Mr. Street resided at Meridian, Miss., where his father, the late Col. H. M. Street, had his headquarters, being special agent of the Phenix in Alabama, Mississippi and Louisiana. He was one of the old time field men who ranged over a wide territory and was very close to his agents. C. R. was born Jan. 5, 1866, at Tishomingo, Miss. Mr. Eustis desired to go to the field and Mr. Burch had written Colonel Street asking if he could recommend an underwriter to take his place. Mr. Eustis was sent down south to scour the country and in visiting southern agencies stopped off at Meridian and became acquainted with Colonel Street's family. He then met "Charlie" Street and on his return told Mr. Burch that he was a likely young lad. Mr. Burch wrote Colonel Street asking whether his son would go to Chicago and take a position. Charles R. was very glad of the opportunity and donning a straw hat and summer suit, because the weather was very warm at that time in Mississippi, he arrived with the strange garb and made his way to the office.

Got a Boarding Place

When Mr. Street started his salary was fixed at \$65 a month, which was rather a munificent sum to him. Mr. Burch delegated M. P. (Jimmy) Ghee, map clerk, to take young Street out and secure a boarding place. Mr. Ghee was acquainted with H. J. and A. I. Ullmann, who had come from Vincennes, Ind., where he lived, and they had rooms at a boarding place on old Park avenue, on the west side, near Union Park. They had positions in insurance offices. Here Mr. Street rented a room and also was given board at \$5 a week. He started in as a file clerk.

Mr. Street was assiduous in his attention to business and marched up the line in the office. Eugene Harbeck succeeded Mr. Burch as western general agent and Mr. Street was chief clerk and gave most of his time to looking after Chicago and Cook county. Mr. Eustis became assistant general agent. Mr. Eustis resigned later to become manager of the Manchester. J. H. Lenehan, who was executive special agent of the Palatine in the west, was selected to take his place. He was brought in about a year before the death of Mr. Harbeck, who had been in ill health for a number of months. Mr. Street was made second assistant general agent. On the death of Mr. Harbeck Mr. Lenehan

became general agent and Mr. Street assistant general agent.

Subsequently Henry Evans, president of the Continental, purchased the Phenix and he had already organized the Fidelity Fire. The two were combined under the name of the Fidelity-Phenix. Mr. Lenehan had a number of lively brushes with President Evans and the atmosphere became so heated that he resigned and Mr. Street was put in command. His assistant was C. G. Shepherd, who had been assistant western manager of the Queen. Fred W. Koeckert, who had been in the Indiana field, was brought to the office as agency superintendent and on the retirement of Mr. Shepherd he became assistant general agent. Later Mr. Koeckert was appointed western manager of the Continental and John M. Thomas, who had formerly been in the field for the Phenix and had been a partner in a general agency at Dallas, was selected to take Mr. Koeckert's place. When Mr. Thomas became manager of Fire Association, Norman T. Robertson was sent from New York to become assistant manager. Later both Mr. Street and Mr. Robertson went to New York, Mr. Street becoming president of the Fidelity-Phenix and Mr. Robertson of the American Eagle. Mr. Street served as president for three years and following the usual Henry Evans' route, he had several crashes with this famous official, an explosion came and Mr. Street was out. He was grabbed up by the Great American and sent to Chicago, becoming vice-president in 1924.

Very Active in Business

Mr. Street since 1924, when he took charge of the Great American's western business, not only became a great figure in that organization but he was active officially and in a commanding way with a number of others. For instance, he was president of the Western Factory Insurance Association at the time of his death and that was one of his organizations in which he took particular pride. He had long been identified with it. He was a director of the Western Adjustment in the early days of the W. E. Mariner administration and on his return to Chicago he again assumed his old place and was vice president for a number of years, serving until his death. He was the prime mover and author of the Cook County Loss Adjustment Bureau and served continuously as its president. At the time of his death he was a member of the governing committee of the Western Underwriters Association. He was once its chairman and was president for two years. He was chairman of the subscribers' actuarial committee for many years and retired only a year or so ago. His retirement was characteristically "Streetian." On his death he was chairman of the Western Underwriters Association committee on cooperation in loss adjustment practices and chairman of the committee on Cook county loss adjustments. He was chairman of the Uniform Printing & Supply Co. committee and was a member of the fire protection engineering and maps committees.

In Demand as a Speaker

Aside from his business he was interested in some outside enterprises and at one time was on the board of the old National Bank of the Republic of Chicago. Mr. Street was in great demand as a speaker before various insurance organizations. He responded to the call whenever he could. He attended insurance meetings of various kinds, went on a number of trips throughout the territory. When he went to the hospital the night of Jan. 17, he called in from day to day until his operation, his secretary and his office associates. He dictated many letters and gave orders and counseled his cohorts. In truth Mr. Street died with his boots on as he was

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busy up to the time of the operation, Jan. 24. He had fully intended to be at the annual meeting of the Canadian Hail Underwriters Association at Winnipeg and arranged to leave the night of Jan. 17 but his physical condition was such he concluded to go to the hospital.

Mr. Street's funeral is set for the chapel at Graceland cemetery Thursday morning at 11 o'clock.

The governing committee of the Western Underwriters Association had sent out a call for a meeting Thursday morning of this week. It is expected that all the out-of-town members will be present. Mr. Street was a member of this committee and a former president of the organization. The meeting will adjourn out of respect to him and all members will attend his funeral. The western department and Chicago city offices of the Great American will be closed Thursday until 1 p. m. Mr. Street's body will be placed in a receiving vault until the family decides where interment will be made.

The Western Insurance Bureau has appointed an official delegation to attend Mr. Street's funeral, it being H. A. Clark, Firemen's, the Bureau president; President H. M. Giles, Millers National; A. F. James, board chairman North-western National, and President W. E. Wollaefer, Concordia Fire.

Had Many Former Employees

Mr. Street harked back often to his old Phenix of Brooklyn days. He had a special fondness for its western department people. Associated with him in the Great American were a number of his old Phenix associates at the time of his death. Those in the western office are B. H. Bauer, Oscar Chandler, Jane Farrell, Marjorie Gray, Max Hager, F. J. Hirsch, E. G. Holmberg, A. G. Johnson, J. A. McClelland, Oda Moller, Bernice F. Stark, H. C. Stiles, Laville S. Viele and Geo. E. Wach.

In the Chicago city office are M. E. Moriarty, G. J. Rearden and Ruth E. Ruvel.

In the field ranks are M. J. DeWaal, W. A. Harvey, F. H. Kinney and Dudley D. Thomas.

TO ATTEND STREET FUNERAL

NEW YORK.—There will go from the Great American head office to attend Mr. Street's funeral, President W. H. Koop, Vice-president A. R. Phillips, Vice-president Jesse S. Phillips, who is also chairman of the board of the Great American Indemnity, Assistant Secretaries Llewellyn Freeman and Herbert Ryman.

Fidelity-Phenix Covered Old Jefferson Clock

NEW YORK.—The Thomas Jefferson clock which graces the entrance to the historic Jefferson mansion at Monticello, Va., was returned to its place in the mansion after a trip to Richmond, Va., where it was sent for repairs last November. Of great value, this clock was insured for \$10,000 under a special policy in the Fidelity-Phenix Fire which covered it against all perils during its absence from the mansion. The clock was originally designed by Thomas Jefferson and built under his supervision. When in place at the Jefferson shrine one dial faces on the hall and another on the porch side of the wall. Cannon balls serve as weights to run the mechanism. As they slowly descend they move past a graduated scale and show the days of the week.

Cain, Jr. Member of Firm

Louis P. Cain, Jr., has been admitted to membership in the Rockwood Company, Chicago local agency, for which he has been a broker for the past two years. For six years he was Cook County special agent of the Travelers. In his new work he will be associated with his father, L. P. Cain, who has been with the Rockwood Company for the past 18 years.

Safe Driver Plan Put in Effect in 28 States on Feb. 1

(CONTINUED FROM PAGE 17)

the bureau that opposed the safe driver reward plan were the Continental Casualty, Standard Accident, Great American Indemnity and Ocean Accident. The reported ground of objection was contention that the new plan put the general agency system at a disadvantage as compared with the branch office system.

RATE CUTS ON COAST

SAN FRANCISCO.—With announcement today by National Bureau of substantial reductions in bodily injury and property damage rates averaging \$9 in San Francisco and \$7 in Oakland, it is reported at least five non-bureau companies are offering a reduction of 15 percent from new lowered rates. Members of the West Coast Automobile Insurance Conference have made no announcement but are meeting at Del Monte next Monday, Tuesday and Wednesday with all non-bureau companies whether members of conference or not, invited.

MANUAL PROVISIONS

Rules and regulations for the much discussed "safe driver reward plan" for private passenger automobiles are contained in the new automobile manual sheets sent out, with rates, by the National Bureau of Casualty & Surety Underwriters. New rates are sent out for 28 states and the District of Columbia, and in 27 of them the safe driver reward plan went into effect Feb. 1. The plan is not intended for use in Massachusetts and the National Bureau does not publish rates for Texas, rates of this state being established by the state itself.

In all states for which new rate sheets were not issued, the safe driver reward plan is not effective and the old rates and policy forms remain in force.

Manual provisions for the safe driver reward plan are as indicated in previous statements by companies and bureau men. The plan applies to all automobiles classified in the manual as private passenger, written on the specified car basis for one year and for both bodily injury and property damage liability insurance. The plan also applies to drive other cars insurance, trailers and semi-trailers, when written in connection with private passenger automobiles subject to the plan, garage employees' cars and named operator policies covering only operation of private passenger automobiles.

The 15 percent refund is to be paid 30 days after the normal expiration date of the policy, provided the assured has no claims during that period. A claim is defined as the payment of a loss or the existence of a reserve for a loss or the existence of a pending claim on behalf of any assured under the occurrence of an incident which requires evidence of financial responsibility. This last includes offenses specified in the different state financial responsibility laws, such as reckless driving, driving while intoxicated, leaving the scene of an accident, etc., which require the motorist to file evidence of financial responsibility or lose his right to drive.

Payment of claim expenses only or medical first aid expenses only or filing of evidence of financial responsibility

solely because of a financial encumbrance on the automobile or on account of the age of the owner, as required in some states, is specifically defined as not constituting a claim which will deprive the assured of his 15 percent refund.

The statement had been made in some quarters that a property damage claim of less than \$10 would not deprive the assured of his refund. No such provision has been included in the rules.

POLICY ENDORSEMENT

The standard endorsement for use on automobile policies is as follows:

SAFE DRIVER REWARD

It is agreed that the company shall refund to the named insured, not less than thirty (30) days after expiration of the policy, 15 percent of the bodily injury liability and property damage liability premium for each private passenger automobile classified as "pleasure and business" while the policy affords insurance for both bodily injury liability and property damage liability with respect to such automobile without rate adjustment because of experience, fleet or other rating plans, provided:

1. Thirty days after expiration of the policy there is pending no claim and the company is maintaining no loss reserves and has paid no loss, other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident, under either the bodily injury liability or the property damage liability coverage on account of an accident arising out of the ownership, maintenance or use of such automobile while the policy applies thereto; and

2. The word "automobile" wherever used in this endorsement shall mean such automobile and the automobile, if any, of the same classification which replaces it; and

3. When the policy affords insurance with respect to a trailer used only with such an automobile, or with respect to the operation by the insured of undesignated automobiles, the premium and experience for such other insurance shall be deemed a part of the premium and experience of the highest rated automobile to which this endorsement is applicable; and

4. The policy affords insurance for both bodily injury liability and property damage liability during a policy period of twelve months, and the policy is not canceled during such period although insurance may be suspended; and

5. Evidence of financial responsibility under a financial responsibility law is not furnished under the policy for the named insured, or for any other person or organization because of (A) Conviction of any person for (1) driving an automobile at excessive rate of speed or in a reckless manner where an injury to person or damage to property actually results therefrom, or (2) driving an automobile while intoxicated, or (3) failing to stop and report when involved in an accident, or (4) homicide or assault, or (B) Conviction of any person for any other offense which requires the initial filing of such evidence during the policy period.

CHANGES IN RATES

Rates are next to commissions in interest in the safe driver plan. Reductions are numerous in those states where

the new manual pages took effect Feb. 1. Comparisons of new and old rates on bodily injury and property damage are shown in a table herewith for W cars in three territories in each state where the change became effective. In more than half these states, indicated in the table by a star (*), the W, X and Y rates are all the same, so that the rates indicated, although sometimes the same as the former W rates, may be a reduction on the whole. The new rates, compared with the old, are as follows

"W" RATES, NEW AND OLD

	I	P. D.	B. I.	P. D.	III	P. D.
	N. O.	N. O.	N. O.	N. O.	N. O.	N. O.
	\$	\$	\$	\$	\$	\$
Ala.	54/43	12/12	37/37	9/9	37/37	8/8
Ariz.	28/29	8/7	26/22	8/7	22/17	8/7
Ark.	32/32	7/7	20/28	5/7	28/0	7/0
Cal.	37/47	10/9	32/37	8/8	33/34	9/8
Col.	18/19	9/10	17/17	7/7	15/17	6/7
Conn.	43/42	11/13	41/40	10/11	55/54	14/14
Del.	23/29	9/11	18/19	7/9		
D. of C.	25/21	9/10				
Fla.	36/28	10/7	30/24	7/7	32/17	8/7
Ga.	35/36	9/10	25/25	8/7	25/25	8/7
Idaho	22/17	7/7	22/17	7/7		
Iowa	21/20	8/8	30/20	8/8	19/20	8/8
Ky.	31/29	9/9	22/22	10/9	23/22	9/9
Ind.	34/38	11/16	28/29	10/12	25/20	8/9
Mich.	23/23	9/9	18/18	7/7	16/18	6/7
Minn.	54/16	16/19	52/42	11/14	48/42	10/12
Mont.	80/80	12/13	41/33	8/8	33/0	8/0
Nebr.	33/33	9/9	33/29	8/8	15/12	6/6
Nev.	25/20	7/7				
N. J.	60/68	12/16	67/76	13/18	60/15	15/17
N. D.	23/23	7/7				
R. Isl.	34/37	8/10	29/28	7/8	23/28	7/8
S. Car.	31/25	10/12	31/25	10/9	31/25	8/7
S. Dak.	32/14	6/6				
Tenn.	27/27	8/9	40/41	10/11	49/41	10/11
Utah	28/20	9/8	25/17	8/7	19/17	8/7
Vt.	28/20	7/7	24/17	7/7		
Wis.	42/36	10/12	42/36	13/12	28/24	10/9
Wyo.	18/17	7/7				

*New "X" and "Y" rates same as "W."

Territories of some of the big cities, in their states, are as follows: Los Angeles III, San Francisco I, Atlanta I, Baltimore I, Detroit I, Minneapolis and St. Paul III, Butte I, Omaha I, Lincoln II, Memphis I, Nashville II, Chattanooga III, Milwaukee I, Superior II.

Several of the states have more than three territories New Jersey having 19. In some states the number of territories has been increased or decreased. Iowa V, "remainder of state, goes from \$12 on W cars to \$17, the former figure on Y cars. Other increases in rural territory will be observed.

STATE REACTIONS

Missouri apparently can be added to the states where the plan takes effect. Following a hearing on protests submitted by the Kansas City agents, Superintendent Robertson notified the bureau that he has placed the new schedule in his files, as a matter of record, but that the department is neither approving nor rejecting the new proposal. Pennsylvania has ruled against the safe driver reward, but the careful wording seems to permit the idea that while the door is closed it is not locked.

West Virginia "Jazzes" Reward

West Virginia has taken the ground that a single plan should be used by all companies in the state. It can bring this about through its control over the standard policy. The department under date of Jan. 31 submitted its own "safe driver reward endorsement," which, it states, "should not be regarded as the prescription of this department," but rather as what it considers the soundest plan. The letter of Jan. 31 gives permission to companies to use the department form of endorsement.

The West Virginia endorsement trustees a given percentage of the premium in a separate fund, to be set aside by the company, and provides for its return if there is no loss exceeding the trusted percentage. West Virginia rather "jazzes" the safe driver plan, inasmuch as its endorsement sets the time for the refund as "upon the expiration of the statute of limitations in the state in which the policy is issued." This would seem to make the refund payable either 22 or 23 years after the expiration of the policy, inasmuch as most statutes of limitations permit minors to bring suit within one year or two years after attaining majority.

Oklahoma indicates that some time

Mutual Fire Reports for 1937

	Cash Assets*	Unearned Prems.	Cash* Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Diab.
Druggists Mutual	333,320	93,515	228,763	170,871	53,704	186,511	173,242
Hardware Dl. M. Wis.	7,253,218	3,460,228	3,009,469	4,473,196	1,294,506	4,694,603	4,088,736
Minn. Farmers Mut.	966,557	132,757	711,939	722,723	257,221	747,143	597,304
Ohio Mutual	499,757	71,208	415,319	81,036	26,474	98,111	96,231
Providence Mut. Fire.	1,463,469	313,118	1,139,955	178,446	41,223	260,964	203,243
Vermont Mut. Fire.	1,021,194	370,465	521,093	577,673	231,539	611,962	79,676
West Bend Mut.	451,854	87,471	345,784	86,364	23,171	116,902	79,676
Security Mut.	168,631	46,194	104,215	91,963	28,007	99,370	82,112

*Does not include notes and policyholders' contingent liability.

may elapse before final action is taken, and that it may be necessary to ask an opinion from the attorney-general before the insurance board can give a final ruling on the question.

OHIO POSITION UNCHANGED

COLUMBUS, O.—William Leslie, general manager National Bureau, conferred here with President Austin McElroy and a committee from the Ohio Association of Insurance Agents relative to the safe driver reward plan, which the association has opposed. The Ohio division of insurance has ruled that the safe driver reward conflicts with the Ohio antirebate law. Mr. Leslie and Attorney John M. Vorys were given a hearing before the Ohio division of insurance, Superintendent Bowen being aided by Raymond Rhoades, L. U. Jeffries and Deputy Bates of his staff. Assistant Attorney-General Ford took part. Appearing for the agents was Secretary John A. Lloyd, with attorneys Paul R. Gingham and Thomas Martin. Superintendent Bowen declared after the hearing that the department had not changed its position and that the plan cannot be put into effect in the state. It has been intimated that the companies may begin legal action to test the law.

The Ohio Association of Insurance Agents has tendered to the department of insurance the services of its legal staff in the event the insurance companies should bring suit to compel the state to permit the operation of the safe driver plan in Ohio. The association, however, has appealed to the companies not to bring suit, saying it would further complicate the casualty, surety and marine situation in Ohio.

MICHIGAN DEPARTMENT STAND

LANSING, MICH.—There is apparently no barrier to putting the safe driver plan into effect in Michigan from the departmental standpoint providing the policies are properly worded. It was pointed out, however, that the anti-rebate law would apply if the contract terms of the "merit rating" policies did not specifically make provision for the proposed 15 percent return premium.

Many agents are frankly skeptical regarding the plan, some of their distaste for it, however, undoubtedly being motivated by the contemplated reduction in commission. Questioning of insureds has reassured them somewhat, however, as to the possible effect of the slight increase in initial premium charge. Most prospective purchasers of the coverage voiced preference for the plan as compared with continuance of present rates with no promise of a reward for avoiding losses.

In specialized agencies which concentrate on automobile business, it is conceded that the plan offers volume-building possibilities but general agents who do not place special emphasis on auto lines doubt that their business in the auto division will be noticeably swelled. The low rates prevailing in Michigan and the warm competition from home "at cost" carriers are deterrents to great expansion without increasing acquisition costs for the agency beyond reasonable limits. Despite this feeling, most well-established agencies are preparing to capitalize the plan to as great an extent as possible in their sales promotional programs.

WRITER IS BITTER

BUFFALO, N. Y.—A bitter attack on the origination and handling of the safe driver reward plan from the "Empire State Agency Forum," published by the New York State Association of Local Agents, has been released. "Conceived in secrecy and born in the private councils of the National Bureau, without any attempt to ascertain the views of agents," is one characterization. "Of course, it will be claimed that conferences were held with representatives of national organizations of producers," says the release. "Technically, that is true, but the opportunity for such conference was had only after what was represented

to be the final draft of the plan was in its completed form."

"At this writing the plan, including the increased rates," the release states, "has not been filed with the New York department and cannot be made effective in New York state until it is filed and approved. When such filing is made, it is probable that the department will hold a hearing in which case representatives of our state association, will, of course, appear.

Guarding Commissions

"The New York state association has and does favor a workable, fundamentally sound experience or merit rating plan for rating private passenger cars. . . . It is perhaps true that under the safe driver reward plan the commission rate of 21 percent on the original premium without charging return commission on any refund, as now proposed, will not have any serious effect on agents' dollar and cent incomes, but nevertheless agents object to the principle involved as being another step in the all too apparent trend toward a general reduction in the rate of commission; and agents expect that commission agreements, developed in confidence by companies, agents and insurance commissioners and as promulgated in the acquisition cost rules, shall be kept inviolate."

NO FORMAL ILLINOIS FILING

SPRINGFIELD.—Although A. E. Spottke of the National Bureau of Casualty & Surety Underwriters has informally submitted the information concerning the merit rating plan to the Illinois department, a formal filing of the plan has not been made here. Insurance Director Palmer requested the National Bureau to refrain from making such a filing until the matter of occupational rating which the department is challenging, is disposed of. This does not indicate that the Illinois department is opposed to merit rating, however.

SIoux CITY RESOLUTION

SIoux CITY, IA.—The Sioux City Underwriters Association has joined the many other associations of the country by passing a resolution expressing opposition to the safe driver reward plan. Their action was held up until a full study and discussion could be had, and many of the members passed the word of the vote on to their companies.

HELD UP IN IOWA

DES MOINES.—While inauguration of the safe driver reward plan was set for Feb. 1, the Iowa department states that the plan has not been approved as yet and that no policies shall be issued under the plan until it and the proposed endorsements in connection with it have been approved. Action by the insurance department will not be taken before Feb. 10.

DELAYED IN WISCONSIN

MADISON, WIS.—Commissioner Mortensen has received assurances from the National Bureau that the safe driver reward plan would be held up in Wisconsin until Manager Leslie has conferred with the department. Mr. Mortensen said it was possible the plan might be made to come within the Wisconsin law either by writing into the policy the amount of the rebate or by attaching it to the policy in the form of a rider.

NEBRASKA AGENTS PROTEST

LINCOLN, NEB.—Insurance Director Smrha held Tuesday that the merit rating policy form submitted by the Travelers to cover automobile liability complied with the Nebraska statutes, in that it was not a rebate, that it was not discriminatory, in that it prescribed the same rate for all of a class, and hence was legal. He said that he was not empowered by law to say whether the rate proposed was a proper rate as he has no control over premium charges, and

that while this method of rewarding careful drivers was a step in the right direction it was not far enough, because it would also penalize careful drivers unfortunate to meet with a minor accident.

Mr. Smrha said that the plan was open to the objection that it used only one factor in determining whether a renewal rate should be less than originally charged, that of having an accident. It should also take into consideration, if merit is the test, the physical qualifications of drivers with respect to sight, hearing and coordination, mental alertness; also their habits as to speed, carelessness and drinking.

The state association of agents has protested the plan because of the reduced commissions. Mr. Smrha said they were justified as the public interest requires that agents be compensated sufficiently to produce the maximum of coverage.

NO WASHINGTON FILING

SEATTLE.—Up until early this week the safe driver reward plan had not been filed in Washington by the bureau companies. The National Bureau has not indicated its intentions as far as Washington is concerned and there is some feeling that the state may be avoided for the present at least. Washington has a peculiar automobile liability insurance situation. For a number of years the non-bureau companies have dominated the business, having secured a strong hold on between 65 and 70 percent of the business through the medium of a rate advantage. Several years ago the bureau general agents and managers in Washington were able to secure a rate concession from the National Bureau and, in cooperation with Commissioner Sullivan, a parity in rates with the non-bureau companies was established.

Would Disrupt Rate Parity

Bureau company men, through the Casualty Insurance Association of Washington, have voiced strenuous objection to the merit rating plan, principally on the grounds that it would disrupt the existing rate parity and would enable their non-bureau competitors to secure another rate advantage. The Northwest General Agents Association has likewise gone on record as opposing the plan. The general agents operating on limited overriding contracts are fearful that a commission reduction will pare down their margin, in addition to the loss of business to the non-bureau companies. While the local agents are for the most part opposed to the plan, they are somewhat apathetic, feeling that the non-bureau companies will continue to offer an attractive market both from a commission and rate standpoint if the bureau decides to go ahead with the plan. The non-bureau companies are harboring the secret hope that the plan, if it is introduced, will be accompanied by a substantial rate increase, which would enable them to follow the bureau's lead and then file a flat percentage deviation, giving them both a rate advantage and a much-needed rate increase in one stroke.

HELD UP IN INDIANA

INDIANAPOLIS.—Commissioner Newbauer has an opinion from the attorney-general's office that the safe driver reward plan does not conform with the state insurance code and that it cannot legally be used in Indiana. William Leslie, general manager of the National Bureau, was in Indianapolis last week and interviewed the commissioner. Mr. Leslie said that possibly he may wish to present the case to the attorney-general with counsel.

The attorney-general's ruling is based on part (s) of section 178 of chapter 162 of the Acts of 1935 which reads: "No insurer shall make any deviations, or give, or promise to give, any discount or rebate from such schedule of rates, rules and regulations so established and filed with the department except as hereinafter provided in this section (s)."

The exception refers to fleet policies and therefore does not legalize the plan.

NORTH AMERICA'S LETTER

The Indemnity of North America takes occasion to do a little crowing over its own merit classification and rating plan, which it has used for the past nine years. On Feb. 1 it boosts its merit credit to 20 percent. John A. Diemand, executive vice-president, announced the new credit in the following letter to agents:

"Our merit classification and rating plan has been in successful operation for nine years. We did our experimenting back in 1929, and today we know that our plan has become an established and equitable basis for rewarding safe drivers. Accurate and detailed statistics have been kept by the company on each stage of the plan's development, and these statistics show that the agents of the country are right in their conclusions regarding the proper application of rate discounts for careful driving.

Statement of Principles

"It is, therefore, with some satisfaction that we restate the principles upon which this company's merit classification and rating plan is founded and which we intend to follow so far as the laws of the several states permit.

"1. The experience developed under our merit classification and rating plan shows that an advance loading on all rates is not necessary, and we do not intend to charge any.

"2. Agents' commissions need not be reduced, and we intend to abide by the commission rates shown in your contract.

"3. We do not believe in rebates and will continue to grant merit rating credits in advance on the basis of past records.

"4. We believe in the salutary effect of an increasing scale of credits related to the continuation of safe driving records.

Boosts Credit to 20 Percent

"In respect of conclusion 4, we are glad to state that the excellence of our experience permits us to give a credit of 10 percent upon the first renewal of a private passenger car risk which is free of claim for one year, 15 percent on the second renewal of a risk free of claim for two years, and 20 percent for the renewal of a risk free of claim for three years. This modification in our plan becomes effective for all new and renewal policies written on and after Feb. 1, 1938, except in the states of Illinois, Indiana, Louisiana, Massachusetts, Minnesota, New Hampshire, New York, North Carolina, Oklahoma, Oregon, Texas, Virginia, and Washington. When our modified plan is adopted in the foregoing states, producers therein will be duly notified.

"The automobile underwriting department is now engaged in the preparation of necessary forms and information for dissemination among the agents and, since this task is a large one, we bespeak your patience and cooperation."

Might Have Been Model

Actually the North America's merit rating is not so far from the safe driver reward plan but what it might have been used as a model. The company charges the manual rates and pays regular commissions. On renewal the policy is written for the net amount, and of course the same commissions apply. Thus the earnings of the agent are the full commission on the net premium, or about the same as the reduced commission on the manual premium.

The North America's credit is not given unless the policy is renewed in the company. The safe driver plan thus differs in this respect also. The North America, however, has operated alone, and has been in control of the merit credit situation. With safety credits becoming universal there was danger of another breakdown if the credits were incorporated in the initial premium. The variation of the Bureau seems merely

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one intending to protect the plan, and not much of a departure from the principle.

Representatives of the North America have not been able to perceive the effect so alarming to opponents of the safe driver reward idea. That is, there does not seem to be any perceptible tendency to hide losses in order to protect the credit, and complaints are not heard on payment of losses.

At first the North America gave the merit credit on policies covering bodily injury alone. This was changed some time ago so that its credit applies only where the bodily injury and property

damage are both carried in the same policy.

LESLIE'S STATEMENT

NEW YORK—Twenty-seven states have now adopted the safe driver plan, the latest being Colorado and Nebraska.

In a further statement issued by General Manager William Leslie it is pointed out that simultaneously with the introduction of the plan, insurance rates are being revised to reflect the latest experience in each territory. "In many territories rates will be lower than they have been in the past, in others they will be higher because of unfavorable experience. In some they will remain the same. Included in the new rates will be a factor of 4.8 percent which is an additional charge on the driver who has accidents that produce losses. The 15 percent reward to the same driver will not only offset this factor but will produce an actual net saving of approximately 11 percent in insurance cost. On the basis of our past experience 88 percent of our insured drivers should earn this reward. Under the stimulation of this plan, this percentage may be increased, and the resultant improvement in general experience should permit the establishment of lower basic rates in future periodic rate revisions."

Objections Are Vanishing

When the plan was first announced, said Mr. Leslie, there was opposition from agents and brokers. Thorough study of the plan and what it means, he pointed out, evidently is changing their opinion.

To date there has been no rejection of the plan upon the basis of its merits in any state where it has been introduced or submitted for approval of the supervising officials, Mr. Leslie said.

"In some states," he said, "approval has been withheld pending further study of its details and in a few states the plan has been barred temporarily upon the ground that the return of a part of the premium after policy expiration is a violation of the anti-rebate laws. Such laws are intended to prevent secret rebates to favored individuals, but not to prohibit the operation of a rating plan which is applied uniformly to all members of a class. The technical phrasing in some of these laws has led the authorities in those states to question the legality of the plan in its present form, but wherever such rulings have been handed down, arrangements have been made for further consideration and review of the law by the attorney-general of the state in question. It is significant that in these states it has been indicated that if the award were allowed in the form of a 15 percent reduction in the premium of the renewal policy, rather than a return of 15 percent of the premium already paid, there would be no question of the legality of the plan. Our objection to making such modification in the plan is that it would compel the automobile owner to continue his insurance in the same company year after year in order to obtain the benefit which he had earned by his good driving record. We feel that the assured is entitled to the reward, irrespective of whether he continues his insurance in the same or another company. In fact, we feel that he is entitled to it even if he should dispose of his automobile and not have any further need for insurance."

HUNT REJECTS PLAN

Commissioner Hunt of Pennsylvania has refused to approve the safe driver reward plan for his state, asserting that the motorist meeting an accident "pays more than 5 percent" more for his insurance than he would under former rates.

Henry Bodenheimer, well-known agent with offices in New Orleans and Shreveport, La., died in Shreveport. He established his insurance business in Shreveport in 1893 and started the New Orleans agency in 1911.

Occupational Rating Plan Gets Another Airing

(CONTINUED FROM PAGE 10)

ton and Mr. Brearly various occupational classifications, asking whether such risks would be rated A or B, and if they were rated A under what generic classification they fell. Mr. Bloomington and Mr. Brearly came to different conclusions on two or three of the classifications and the inquisitors took every advantage of that. Mr. Bloomington explained that Mr. Brearly is not in intimate day to day touch with underwriting over the counter, but that those who are doing this work have no difficulty in allocating every applicant to his proper niche.

Use and Non-Use

Much interest was taken in the remark that Mr. Palmer made during the session to the effect that he would approve a plan, which merely made a distinction in rates as between cars used for business purposes and for pleasure purposes. Some of the companies, as a matter of fact, have filed such a plan. Seemingly, Mr. Palmer later regretted having committed himself to that extent, because he parried further questions as to just what he would approve. Mr. Bloomington undertook on several occasions to get Mr. Palmer to go on record more definitely on this point. Mr. Harris, however, each time observed that it would be improper for the director to pass judgment on a plan before it had been submitted. The only purpose of the hearing, according to Mr. Harris, was to adduce evidence on the point of whether the General Accident plan that had been filed is discriminatory.

Mr. Bloomington at the outset expressed the opinion that the plan is erroneously referred to as "occupational." The 24 occupational classifications, he contended, cover nearly every kind of employment that can be conceived. They are generic classifications, he said.

Doesn't Discriminate

General Accident, he declared, will write almost any car used exclusively for pleasure at the preferred rate. The company, he said, does not discriminate between those who use their cars for pleasure. The company, he said, could discard all of its occupational classifications and proceed just as it does now. The General will write any automobile used for pleasure except a very few owners whom the company knows to be unsatisfactory, such as students, cabaret owners, saloon keepers.

Mr. Brearly testified that General Accident uses its occupational rating plan in New Jersey, Pennsylvania, Delaware, Ohio, Michigan, Illinois, Indiana, Missouri, Nebraska and Indiana.

He said General Accident is satisfied that the differential between the A and B classes is sound. General Accident has had a 43 percent loss ratio on its class A business in all of the states in which the occupational rating plan has been used.

Mr. Palmer inquired why, if the plan is sound for p.d. and p.l., it is not sound for collision. Mr. Brearly indicated that the company had not given this much consideration. Of course the casualty companies write a small part of the collision volume. He pointed out that collision experience has been unprofitable.

In Illinois, Mr. Brearly testified, the loss ratio of General Accident on A class risks has been 60.5 percent for public liability and for B risks it has been 59.5 percent. On property damage the A class ratio has been 40.2 percent and the B class 37.3 percent. That is for the years 1934-36, inclusive. He said the expense ratio of General Accident is lower than that of most other companies. He agreed with Mr. Palmer that General Accident, however, has made no money in Illinois.

In answer to a question, he gave the

nationwide experience of General Accident for certain undesirable classifications. For instance, students had a loss ratio on p.l. of 99.8 percent and p.d., 60.1 percent; restaurants, soft drink proprietors, etc., p.l., 79.5 percent; p.d., 53 percent. Cars of companies, firms and corporations used in business, public liability 62.3 percent; p.d., 46.8 per-

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cent; actors, 62.8 percent, p. l.; p. d., 48.9 percent; salesmen of automobiles, located at filling stations, etc., p. l., 71.3 percent; p. d., 42.4 percent.

After establishing that a janitor for a public utility would get a lower rate than a janitor for a hotel or apartment house, Mr. Palmer declared:

"That is obviously discriminatory. I think that's the whole issue. You admit it. I don't know why we waste further time with this hearing."

Other Situations

Mr. Bloomington replied that if that was the burden of Mr. Palmer's objection, the objection could be easily overcome and he said General Accident would file a new schedule.

Mr. Palmer, however, said the department could find any number of other situations.

"Will you be good enough to find them?" Mr. Bloomington asked. "We haven't gone through the plan with a fine tooth comb. I would say to write all janitors, porters, etc., at the full A classification."

Mr. Palmer then inquired about the classification that a housewife would take who has her own car that she uses exclusively for pleasure but whose husband has a car that falls into class B. Mr. Brearly said the housewife would take the A classification on her own car if General Accident wrote both automobiles. If General Accident wrote only the wife's automobile, her car would take the B rate.

Mr. Palmer declared that this practice did not conform literally to the General Accident filing and Mr. Bloomington inquired: "Aren't you straining at a gnat?"

Student Classification

A good deal of debate took place about the student classification. Mr. Palmer undertook to bring out that many cars that are insured under the A classification are used to a large extent by children of the assured who are students. Mr. Bloomington undertook to prove that there is a difference between such a car and one that is owned and controlled by the student himself. The latter is likely to be free from any parental restraint.

Mr. Palmer inquired as to the procedure if General Accident discovers after the policy is issued that the owner is really not entitled to the A rate. Mr. Brearly replied that the company requires a reclassification. For instance if it discovers that the car is really used by a student, it is regarded as a student hazard even though the car is not owned by him.

The assured, Mr. Brearly declared, in answer to a question, is not required to sign the application. There are four or five interrogatories in the application to aid the underwriter in classifying the risk. Mr. Palmer inquired whether there is anything in the policy that constitutes those questions as warranties. Mr. Brearly replied that the General Accident's policy is the so-called national standard.

Breach of Warranties

Mr. Bloomington declared that any breach of those warranties constitutes a real breach, even though they are called declarations. However, he said if there is a change in occupation during the year that does not affect the validity of the coverage. Any deliberate misstatement in the application can be taken advantage of by the company, Mr. Bloomington observed. However, he said he has been in intimate touch with the General Accident for 25 years and he has never known a single time when that company has taken advantage of such a situation. That was in answer to Mr. Palmer's question whether if the applicant states his occupation to be in the A class and it develops he is not in that class, such a misstatement would constitute a defense for the company.

Mr. Bloomington said there is a nebulous line in some cases between the A and B classifications and it is true that the broker or agent is likely to

shade the facts to get the best rate for his client.

"In disapproving the General Accident's plan," Mr. Palmer declared, "we went on the theory that any decent citizen, regardless of his job, driving a Ford, for instance, in Springfield, the car being put to the same uses, whether he be a cashier in a hotel or a plumber, should be treated alike and to pick out anyone and give him a better rate than his neighbor constitutes discrimination. You have listed 24 businesses or professions coming within class A. The assumption is that everyone else is in B. You must justify that distinction. We have listed 25 occupations that we cannot determine from your filing where they belong."

Mr. Bloomington declared that what is discriminatory does not lie within the breast of one person. He said that the General Accident's plan is not entirely scientific. It is empirical. He said the company will try to adjust the plan if Mr. Palmer will indicate wherein he believes the rates are discriminatory.

Mr. Palmer said the department objects to the fact that too much is left to the discretion of too many individuals. It is not definite enough for agents and brokers, for instance. Mr. Bloomington replied that the purpose of the manual is to indicate to the producer the classifications into which the applicant is likely to fall. The actual underwriting is done over the counter, however. The General Accident is trying to devise a method to determine the rate by the exposure. Perhaps the company, he said, should have made a general classification and then specified those that are excluded but the company did it the other way. The plan is so arranged that an intelligent underwriter can make his selections almost automatically, he said.

To Strengthen Law

Mr. Palmer declared that if it were a matter only of business and non-business use, he would approve the plan, but he contended that there is a lot more to the General Accident's plan than that.

Mr. Palmer indicated his intention in the 1939 legislature to seek amendment of the automobile antidiscrimination statute so as to transform it into a real rate control law. Mr. Palmer expressed the belief that it is impossible to control the General Accident's plan by the state.

Mr. Bloomington contended that the General Accident plan is workable. The rates for the two classes and the loss ratios are consistent throughout the United States and that, he contended, spells success.

Mr. Harris attempted to make much of the fact that a good many cars used for pleasure only are subjected to more exposure than cars that are used in business. He also observed that some owners, who use their cars only in going and coming from their place of work have a greater exposure than those who may actually use their cars in business.

Admits Exceptions

Mr. Bloomington said that there may be these exceptions and that in any insurance classification there are always some who are more fortunate than others within the class.

Mr. Harris inquired whether General Accident has made any effort to get the plan approved in those states where it is not being used. Mr. Brearly declared that General Accident had used the plan in New Orleans but abandoned it in that state after the Louisiana casualty rate law was enacted. However, he expressed the belief that General Accident made a mistake in doing so. In answer to a question, he said the management had not given a thought to the idea of using the plan in New York.

In answer to a question, Mr. Brearly stated that the plan differs in some respects as between various states. For instance, in Illinois there is a wholesale and retail store classification but there is no such classification in Pennsylvania.

Mr. Palmer contended that these differences would render the experience figures on a national basis meaningless.

However, Mr. Brearly contended that the differences are not important.

From 30 to 40 percent of the General Accident's business is written under occupational rating plans, Mr. Brearly said.

In answer to question from Mr. Miller, Mr. Brearly said that an age factor was originally contained in the Illinois plan, but this was discarded because it was found to be not feasible.

In answer to another question, Mr. Brearly said that the total annual premiums of the General Accident for the student class are from \$80,000 to \$90,000.

Another point brought out by the inquirers was that cars used in business that are insured under fleet plans sometimes pay a lower rate than cars used for pleasure only rated as class A.

Inquirers brought out the fact that the General Accident follows the territorial subdivisions set up by the National Bureau of Casualty & Surety Underwriters. They undertook to prove that there was some sort of inconsistency on the part of a company that deviates from bureau standards in one respect but conforms to those standards in another.

Wants Scientific Basis

Mr. Palmer declared that if the automobile rates are to be put on a scientific basis, the state should require all companies to report on an agreed form with all companies contributing to the expense.

Mr. Bloomington contended that the National Bureau rating plan is unscientific and "intensely discriminatory," because it charges one rate for all. Perhaps there should be more than the A and B classes. The General Accident, he said, is trying to arrive at something that is scientific.

In answer to a question from Mr. Miller, Mr. Brearly stated that the General Accident's business has not increased at a faster pace in occupational rating states than elsewhere.

Late in the afternoon Mr. Bloomington seemed to throw in the sponge.

"There is no use whistling to a deaf horse," he declared. "You have indicated, Mr. Palmer, what your temper is. General Accident's plan is experimental and it may be in some sense discriminatory. But if you had challenged the bureau companies' plan, I could have said their scheme is primarily discriminatory because it puts brothel keepers and other prohibited risks into the same class with the good risks. But their system is workable. The public is satisfied with it. All rates, in a sense, are discriminatory. The bureau has been experimenting. It is now trying a merit rating plan which is frankly a competitive measure. We are doing better than the bureau because we are making money and giving people insurance at 20 percent less."

Wants Low Rates

Mr. Palmer stated he is interested in having the companies use the lowest rate possible consistent with solvency but he objects to putting into B class those that are just as good risks as go into the A class.

"The bugs in our scheme," Mr. Bloomington said, "are no more virulent than the bugs in the bureau. Although you don't have the power to do so, you are actually making rates for us and attempting to force us to make a change in our plan."

Among those at the conference were Otto Patterson and O. L. Schleyer, vice-presidents, and A. R. Peterson, Chicago attorney for American Automobile; R. E. Maginnis, vice-president Central Surety; John Love, vice-president, and H. V. Grady, Chicago manager Home Indemnity; E. R. Hurd, Chicago general manager, and A. H. Knight, Illinois state agent for the Home group; D. L. Barnhart, Chicago manager Yorkshire Indemnity; W. K. O'Connor, Chicago manager American Indemnity; Walter E. Webb and Clarence Kenny of the Allstate companies; R. C. Mead, actuary, and L. F. Bink-

ley, Chicago attorney State Farm Mutual Automobile; Edwin Morse, Chicago manager American Casualty; Byron Sommers, Chicago manager Ohio Casualty; Chase Smith, vice-president, and W. R. Mengelberg, underwriting executive Lumbermen's Mutual Casualty; Ogden Davidson, assistant U. S. manager Accident & Casualty.

The hearing adjourned Wednesday morning after a brief session until March 2.

Attorney Peterson stated for the record a statement that American Automobile would not participate in the hearing in any way and would seek an adjudication of the matter in the courts. There is pending in Cook county an action brought by American Automobile opposing Mr. Palmer's ruling.

Chicago Manager A. J. Browning of Car & General read a prepared statement.

Mr. Harris announced the state will present some witnesses at the March 2 hearing to prove that occupational rating is discriminatory.

Mr. Peterson explained that American Auto had not joined in the petition for the hearing, that its plan differed from that of General Accident, and that American Auto is prepared to proceed with judicial determination of the issue when it suits the convenience of Mr. Palmer.

Mr. Palmer said he had set March 2 for the next hearing in appreciation of the fact that this is an exceptionally busy time for the companies. At that hearing, he said, companies will be privileged to introduce additional testimony.

Royal-Liverpool Figures on 1937 Operations Reported

NEW YORK—Combined figures of fire and marine companies in the Royal-Liverpool groups on operations in this country last year were: Net premiums \$30,827,526; losses incurred \$11,123,829, 36.08 percent; adjustment expenses \$837,578, 2.72 percent; taxes \$1,709,080, 5.54 percent; general expenses \$13,868,587, 44.99 percent; total \$27,539,074. Trading gain was \$3,288,452, 10.67 percent; increase in unearned \$479,847, 1.56 percent; underwriting gain \$2,808,605, 9.11 percent. Member companies include the Royal, Liverpool & London & Globe, Queen, New York Fire, American & Foreign, Star of America, Federal Union and Capital. Harold Warner is United States manager for the combination.

Sims Would Make Fire Rates

Commissioner Sims of West Virginia advocates amending the present law so as to give his department authority to make fire rates for the state, and also to define loss classification.

Will Continue English Agency

The general agency conducted by the late Louis E. English of Richmond will be continued by his former associates for the same companies and territory.

No Cover on Falls Bridge

NEW YORK—B. J. Yungbluth, president International Railway Co. of Buffalo, owner of the "Falls View" bridge at Niagara Falls which collapsed Jan. 27 as the result of an ice jam, was quoted as saying no insurance of any kind was carried on the structure.

Ben A. Adams, prominent Covington,

Ky., agent, is being tendered a dinner Feb. 4 in observance of his 50th year in business and his 75th birthday anniversary. Home office officials who will attend the dinner are George H. Bell, manager western department National Fire of Hartford, and J. L. Crowley, vice-president Bankers Indemnity. H. W. Robinson, state agent Hanover Fire, represents the fieldmen. A large number of Covington and Cincinnati agents and Mr. Adams' associates will be guests.



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